



PANAUST



2022
BUSINESS
REVIEW AND
SUSTAINABILITY
REPORT

Front cover photograph:
Mining Operator Souk Sixanavong at the Ban Houayxai Gold-Silver Operation in Laos.

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The Ban Houayxai Gold-Silver Operation center and north pits.

INTRODUCTION

COMPANY PROFILE

PANAUST LIMITED (PANAUST, THE COMPANY, AND THE GROUP) IS AN AUSTRALIAN-HEADQUARTERED COPPER AND GOLD MINING COMPANY WITH TWO OPERATING MINES IN LAOS AND ADDITIONAL PRE-DEVELOPMENT AND EXPLORATION OPPORTUNITIES IN LAOS, PAPUA NEW GUINEA, MYANMAR, AND CHILE.

PanAust's producing mines are the Phu Kham Copper-Gold Operation (Phu Kham) and the Ban Houayxai Gold-Silver Operation (Ban Houayxai), located in the Company's Contract Area under its Mineral Exploration and Production Agreement (MEPA) with the Government of Laos (the Contract Area).

In Papua New Guinea (PNG), PanAust is advancing the Frieda River Project. The Frieda River Project is one of the largest undeveloped copper and gold deposits in the world and offers PanAust excellent potential for the establishment of a world-class, long-life copper-gold mining operation.

In Chile, PanAust owns a 100 per cent interest in the Carmen copper-gold exploration project and a 66.15 per cent interest in the Inca de Oro Project, in which its joint venture partner, Codelco, owns the remaining 33.85 per cent. The Inca de Oro exploration project is currently under review for future development with the camp in care and maintenance.

In 2015 PanAust expanded its presence in Southeast Asia through a joint venture in Myanmar, which owns early-stage exploration permits. However, since February 2021 all mining-related operations in the country, including exploration and community works, have ceased.



PANAUST IS FOCUSED ON A SUSTAINABLE BUSINESS MODEL ASSOCIATED WITH THE SAFE PRODUCTION AND SALE OF COPPER AND GOLD TO EXPORT MARKETS. WHILE COPPER IS THE CORE PRODUCT FOCUS, GOLD AND SILVER PROVIDE COMMODITY DIVERSITY.

The strategic direction of the Company in 2022 and beyond is to extend the operating life of its existing operations in Laos, proceed towards the development of the Frieda River Project, reassess the development potential of its Chilean Projects and evaluate new project acquisition opportunities.

PanAust is an Australian incorporated company, which is a wholly owned subsidiary of Guangdong Rising Holding Group Co. Ltd (GRHG).

GRHG is a Chinese state-owned company, regulated under the State-owned Assets Supervision and Administration Commission, and owned by the People's Government of Guangdong Province in China.

COMPANY STRUCTURE

AUSTRALIA

PanAust's registered head office in Brisbane, Australia, provides leadership, specialist expertise and support across the Group in strategy, financial management, commercial and technical services, risk management, sustainability, corporate communications, human resources, legal, information systems and technology, internal audit, internal control, governance, and reporting. PanAust holds several non-controlling financial Interests in Australia including in the Eva Copper Project in Queensland and the Darlot Gold Project in Western Australia.

CHILE

PanAust holds a 66.15 per cent interest in the Inca de Oro Copper-Gold Project through a Chilean-incorporated joint venture company, Inca de Oro S. A. The Company also maintains a 100 per cent interest in the nearby Carmen copper-gold deposit. The Inca de Oro exploration project is currently under review for future development with the camp in care and maintenance.

LAOS

PanAust owns a 90 per cent interest in the Lao-registered company, Phu Bia Mining Limited (PBM). The Government of Laos owns the remaining 10 per cent.

PBM has a Mineral Exploration and Production Agreement with the Government of Laos. The MEPA regulates exploration, development and mining activities within the Contract Area, and sets out the company's tax and royalty obligations.

PBM employs staff and contractors in Thailand and Vietnam to handle the transport and logistics of consumables to the Operations and the copper concentrate from the Phu Kham mine site to the export port facilities.

In 2021, PanAust established a wholly-owned entity, Saisana Lao Resources Sole Co Limited (Saisana), to pursue opportunities outside the MEPA contract area, subject to obtaining the necessary licences.

MYANMAR

PanAust holds a 90 per cent interest in Wuntho Resources Company Limited (WRCL) and established a joint venture with Myanmar Energy Resources Group International Company Limited, a Myanmar-based company that holds the remaining 10 per cent of WRCL.

WRCL holds tenements covering approximately 1,500 square kilometres in Myanmar's Sagaing region. In February 2021, the Company demobilised and ceased all mineral exploration activities in the country. The safety, security, health and wellbeing of its people in Myanmar continues to be a priority for the Company.

The Company will continue to honour its statutory and financial obligations and conditions set out in its Exploration Licences to the extent practicable. The payments that the Company has made, and will continue to make, are as follows: maintaining tenement licences, statutory tax obligations, administrative fees, employee wages, and the costs associated with contractual arrangements.

PAPUA NEW GUINEA

PanAust, through its wholly owned subsidiary Frieda River Limited, owns 100 per cent of the Frieda River Project in Papua New Guinea. The Independent State of Papua New Guinea has a right, before the grant of a Special Mining Lease (SML), to purchase up to a 30 per cent equity interest in the Project at a price prorated to the accumulated historical expenditure of the Project.

AUDITORS

KPMG, Heritage Lanes, Level 11,
80 Ann Street,
Brisbane, Qld 4000 Australia

BANKERS

ANZ Banking Group Limited
324 Queen Street,
Brisbane, Qld 4000 Australia

BOARD OF DIRECTORS (AS OF 11/12/2023)

Mr Shu Yao, Chairman (appointed: 11 May 2021)

Mr Daling Zheng, Managing Director
and Chief Executive Officer
(appointed: 27 August 2018, 23 July 2020)

Mr Paul Arndt, Non-Executive Director
(appointed: 27 August 2018)

Mr Wenhao Pan, Non-Executive Director
(appointed: 11 May 2018)

Mr Lei Feng, Non-Executive Director
(appointed: 11 May 2018)

Mr Mengliang Dai, Non-Executive Director
(appointed: 11 May 2018)

See PanAust's website for the profiles of PanAust's Directors, panaust.com.au/our-people/#boardofdirectors.

COMPANY SECRETARY

Mr Chengjie Li

Mr Dominic Townsend

MATERIALITY AND SCOPE OF THIS REPORT

THIS 2022 BUSINESS REVIEW AND SUSTAINABILITY REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE GLOBAL REPORTING INITIATIVE (GRI) UNIVERSAL STANDARDS, AND THE TOPIC STANDARDS, WHICH ARE BASED ON THE MATERIAL ASPECTS AND SIGNIFICANCE OF THEIR IMPACTS.

The scope of the Report covers topics that reflect the reporting organisation's significant economic, environmental, and social impacts or topics that could substantively influence the assessments and decisions of stakeholders.

Materiality Counts, an independent assurance provider, has provided assurance of a selection of material issues within this Report. A copy of the assurance statement is on page 99.

PanAust's 2022 Business Review and Sustainability Report focuses on issues that matter most to the Company and its stakeholders. PanAust applies a consistent approach to identifying, assessing, and verifying material sustainability issues which is outlined in the following five steps.

PANAUST ORGANISATION CONTEXT

PanAust identifies a high-level overview of its activities and business relationships, the sustainability context and stakeholders who are directly or indirectly impacted by the business activities. Primary stakeholders and interested parties are listed on pages 44 to 46 of this Report. Regular engagement with primary stakeholders, together with the review of independent external and industry reports, enables important activities to stakeholders to be identified and understood.

PANAUST'S ACTUAL AND POTENTIAL IMPACTS IDENTIFICATION

PanAust identifies issues of importance and impacts (both negative and positive) by reviewing and considering business risks and impacts on the economy, environment, people and communities, external commitments, external audit reports, internal reviews and incident reports, issues highlighted through internal reporting processes, grievance reports, external interviews with key stakeholders, regular management visits to the Operations and conducting workshops across the Group.

ISSUES ARE ASSESSED AND PRIORITISED

Each issue is ranked on its level of impact to stakeholders and to PanAust. Issues are considered by level of interest and commonality through requests for information from stakeholder groups and media coverage. For the 2022 Business Review and Sustainability Report, PanAust sought feedback on issue identification and ranking through meetings with the PanAust management team, departmental managers, internal subject matter experts and held interviews with external business suppliers, governments, financial representatives, and other stakeholders. The prioritisation ranking is based on how PanAust defines significance issues (using a 1 to 3 scale, 3 being the most significant).

MATERIAL ISSUES ARE VERIFIED

Material issues are presented to the PanAust management team for review and feedback and are endorsed for inclusion in the 2022 Business Review and Sustainability Report.

Materiality Counts provides independent limited assurance that verifies a selection of material issues in the Report. The rolling assurance program covers material issues over a three to five-year period. The assurance scope is revisited annually to ensure relevance to those material issues of most significance are addressed in the reporting period.

MATERIAL ISSUES INFORM COMPANY ACTIVITIES

PanAust's approach to managing material risks provides a continuous improvement feedback mechanism, which informs Company strategy, budgets and business and engagement activities. At the executive level, material risks define the sustainability and business improvement focus areas for the Company. These outcomes cascade to the broader sustainability governance structure and are incorporated into business and annual plans, and key performance indicators.

The figure on page 8 of this Report outlines the outcomes of PanAust's 2022 materiality process within the areas of economic performance, governance, social performance, environmental performance, health and safety performance and its people. Each material issue—including the boundary of impact—is addressed in this Report.

PANAUST MATERIAL ISSUES 2022

ECONOMIC PERFORMANCE

- Operational performance
- Growth opportunities
- Financial performance

GOVERNANCE

- Sustainability structure
- Business conduct: Bribery and corruption
- Supply chain and product stewardship
- Risk management

SOCIAL PERFORMANCE

- Social license and stakeholder engagement
- Economic value generated
- Community development program resumption
- Closure preparedness and messaging
- Artisanal and small-scale mining

ENVIRONMENTAL PERFORMANCE

- Water
- Tailings and waste rock
- Cyanide management
- Land rehabilitation and closure
- Energy and carbon management
- Dust and noise emissions

HEALTH AND SAFETY PERFORMANCE

- Safety performance
- Contractor management
- Fitness for work
- Security management

OUR PEOPLE

- Training and development
- Workplace diversity



Looking towards the Phu Kham Copper-Gold Operation from the camp.

REPORT SCOPE

The principal activities of the PanAust Group during the 2022 calendar year were:

- safeguarding the health, safety, and wellbeing of its workforce
- increasing production and re-establishing normal operating conditions after COVID-19
- the production and sale of copper-gold-silver concentrate from the Phu Kham Copper-Gold Operation
- the production and sale of gold-silver doré from the Ban Houayxai Gold-Silver Operation
- the exploration and evaluation of projects in Laos, Papua New Guinea and Myanmar.

Unless otherwise stated, data in this Business Review and Sustainability Report relates to PanAust's Phu Kham Copper-Gold and Ban Houayxai Gold-Silver Operations.

This report is for the 2022 calendar year and is PanAust's sixteenth Sustainability Report. It follows the report produced in 2022 for the 2021 calendar year.

DATA COLLECTION PROTOCOLS AND REPORTING CURRENCY

Except for new reporting items, this report presents data for a three-year period from 2020. Reports from previous years are publicly available on the Company's website: panaust.com.au/annual-publications

Sustainability performance data is disclosed in accordance with the GRI Universal Standards. Data reflects the annual disclosure of sustainability performance at wholly owned Operations and joint ventures where PanAust is the operator. Any variances from these boundaries are noted directly in the data table where applicable.

Unless otherwise stated, all monetary amounts in this Report are expressed in United States dollars (US\$). Data contained in tables and figures may include minor computational errors due to rounding.

TRANSPARENT REPORTING

PanAust values openness and transparency in its business activities. Each year, the Company produces an Annual Report and a Business Review and Sustainability Report (this document).

The Annual Report is submitted to the Australian Securities and Investments Commission (ASIC) and is available for a nominal fee paid to ASIC.

The 2022 Annual Report was independently audited by KPMG in accordance with the Australian Auditing Standards and was lodged with ASIC in 2023.

Materiality Counts provided independent limited assurance (in relation to key non-financial material issues) of this 2022 Business Review and Sustainability Report.

Through its Minerals Council of Australia (MCA) associate membership, the Company supports the Extractive Industries Transparency Initiative (EITI). EITI is a global initiative to improve governance in resource rich countries through the verification and full publication of company payments and government revenues from oil, gas, and mining. PanAust reports payments to its host governments in both its Annual Report and Business Review and Sustainability Report (see page 51).

When legally permitted and consented to do so by its host governments, PanAust supports making the material terms of its contracts publicly available (in line with EITI requirements).

This Report has been translated for Phu Bia Mining's Lao stakeholders.

A detailed index of the GRI indicators and where they are reported—fully, partially, or not reported—for this report can be found on PanAust's website: panaust.com.au/annual-publications

For further information about PanAust or this report: email info@panaust.com.au telephone +61 7 3117 2000

FORWARD-LOOKING STATEMENTS

This document includes certain 'forward-looking' statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast production performances, potential mineralisation, resources and reserves, and future expansion plans and development objectives of PanAust Limited, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER REVIEW

I AM PLEASED TO PRESENT THE PANAUST 2022 BUSINESS REVIEW AND SUSTAINABILITY REPORT, COVERING MY SECOND YEAR AS THE COMPANY'S MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER.

2022 has been a year of significant progress. We delivered on several of our strategic objectives, achieving improvements in production and cash flow, as well as safety.

We ended the year fatality free, with a closing cash balance of more than US\$200 million and no external debt.

Group consolidated annual metal production rose 13.75 per cent, boosted by an increase in copper concentrate delivered from the Phu Kham Mine which in 2022 returned to pre-pandemic levels. With the life of mine extended to 2025, negotiations on the fourth round of proposed amendments to the MEPA continued and we expect them to be finalised in 2023.

This year Ban Houayxai Mine celebrated its 10-year anniversary with higher than budgeted output, producing 84,844 oz and 510, 517 oz of gold and silver doré respectively. A drilling program was completed during 2022, to support the proposed mine life extension to 2030. A Pre-Feasibility Study was submitted to the Government of Laos in anticipation of early works on the Ban Houayxai extension deposit beginning in 2023.

We also continued to advance the Frieda River Project, a globally significant development comprising the largest integrated mine and renewable, hydro-powered electricity generation facility in Papua New Guinea. And we did so with the continued support of the Papua New Guinea Government as well as our shareholder Guangdong Rising Holding Group Co. Ltd (GRHG), who is committed to setting us up on the right path for continued success.

BUSINESS PERFORMANCE

Strong operational and fiscal management have us very well positioned to deliver on ambitious growth plans in the coming years and sustain our operations in Laos.

With the global economy starting to rebound in 2022, we were able to capitalise on high metal prices to deliver a 2022 NPAT of US\$90.1 million for the year—almost double that of 2021 and end 2022 with a cash balance of \$US217 million and positive cash flow.



Daling Zheng, PanAust Managing Director and Chief Executive Officer.

With the easing of COVID restrictions, Operations returned to pre-pandemic levels delivering 37,612 tonnes of copper in concentrate (up from 32,385 tonnes in 2021). Gold and silver production totalled 129, 334 ounces and 686,264 oz respectively in concentrate and doré.

GROWTH PROJECTS

PanAust holds a portfolio of development and exploration projects in Laos, Chile, Myanmar and Papua New Guinea.

In Myanmar we continued to hold our 90 per cent interest in Wuntho Resources Company. Last year we demobilised and ceased all mineral exploration in the country. We continue to pay the wages of employees.

In 2021 PanAust established a wholly-owned Lao entity, Saisana Lao Resources Sole Co Limited (Saisana), for the purposes of pursuing new mining opportunities within Laos outside Phu Bia Mining's MEPA contract area. These opportunities cover a range of commodities and are at various stages of development and discussions in 2022.

PanAust also owns a share of the Inca de Ora Copper-Gold project in Chile which is currently on hold with the camp temporarily placed in care and maintenance.

This year, we continued to comply with stakeholder engagement and legislative processes in Papua New Guinea in support of the Frieda River Project, concluding statutory Environmental Impact Statement consultation in 2022.

Over the coming years, PanAust will continue to identify and pursue acquisition opportunities to expand its portfolio of assets. Advanced projects that are in production or have the potential to be brought online within a few years and are of a suitable mine life and cost structure continue to be identified.

HEALTH AND SAFETY

Health and safety remains a top priority for PanAust and we are justifiably proud of our safety achievements to date.

This year I am pleased to announce that PanAust met its Lost Time Injury Frequency Rate (LTIFR) target of 0.15 achieving a LTIFR of 0.07. This is a great result for the team.

Breaking a decade long downward trend, this year we recorded a Total Recordable Injury Frequency rate (TRIFR) of 0.89. This result is due to a relatively small number of hand-related minor cuts and small abrasions. Despite this increase the TRIFR remains significantly better than the global industry average.

To minimise the occurrence of injuries in the future, we have continued our focus on visible leadership through workplace safety interactions and verification of controls.

In 2022, we rolled out 13 safety initiatives across the business ensuring all management, employees and contractors understand their role in creating a safe workplace for everyone's benefit.

PanAust continued to operate safely through the easing of COVID-19 restrictions with no material impact on Operations. Comprehensive measures to prevent the spread of COVID-19 at our sites, including social distancing, education, and cleaning continued and as restrictions were progressively lifted, all safety protocols were ultimately embedded as business-as-usual practices without incident.

ENVIRONMENT

I'm proud to be overseeing and supporting our journey towards a smarter and cleaner business. This year we started work on a robust strategy intended to guide the identification of projects and setting targets for reductions in energy consumption or improvements in efficiency, and initiated an operational efficiency program that continued PanAust's ongoing intentions to reduce energy consumption and realise related greenhouse gas reductions.

Currently, diesel consumption for mining and transport activities accounts for the largest component of PanAust's energy and greenhouse gas inventory. PanAust recognises that drivers play an essential role in decreasing fuel consumption and this year we continued to train them on how to achieve 'smooth drive' fuel efficiency.

OUR PEOPLE

During 2022, PanAust's workforce numbers remained stable across its regional workforces; with the Laos workforce being the exception. An increase in both its employee and contractor numbers took the total PanAust workforce figure to 5,655.

PanAust recognises the benefits of diversity and offering an inclusive environment where employees are treated fairly and are rewarded for their effort.

PanAust has implemented gender diversity programs to increase female representation in the workforce, particularly in Laos. Women continue to account for almost 21 per cent of the workforce and 50 per cent of trainees/apprentices that are accepted by the Company.

This year, localisation in Laos increased to approximately 93 per cent. This figure remains close to the highest level of localisation the Company has ever reported and demonstrates the success of the systems and programs in place.

COMMUNITIES

We have a strong commitment to the communities in which we operate and believe in leaving a positive legacy.



THIS YEAR, WE CONTRIBUTED US\$132,413 TO HEALTH, EDUCATION AND SUSTAINABLE LIVELIHOOD PROJECTS IN PAPUA NEW GUINEA AND A TOTAL OF US\$137,411 TO COMMUNITY DEVELOPMENT FUND PROJECTS IN LAOS.

PanAust continues to be an important part of the Lao economy in terms of contributions to GDP and community investment and recognises it has a significant role to play in developing skilled nationals in host countries that can continue to participate in, and help grow, the national economy.

In 2022, total Phu Bia Mining activity including direct benefits through employment, training, community development and payments to local suppliers accounted for 2.7 per cent of an estimated GDP of approximately US\$12.8 billion.

The Company's community development programs in Papua New Guinea focused on improved health and education services and capacity-building with an emphasis on the maintenance and establishment of infrastructure to support these services. Of the US\$132,413 contributed to Papua New Guinea, US\$20,614 was associated with charter flights, the use of the Company's helicopter, and motorised dinghies to deliver programs to Frieda River host communities that are inaccessible by road.

ACKNOWLEDGEMENT

Thank you to all PanAust employees for your contributions to our performance, and commitment to putting safety first and living the PanAust Way.

Thank you also to our shareholder for providing guidance and leadership as we work to capture the many opportunities that lie ahead.

Finally, I would like to acknowledge our steadfast supporters in host Governments and communities who continue to offer us unwavering support.

I am proud of the progress the team has made in 2022 and I am confident that the energy going into 2023 will set us up for success in the coming years.

Daling Zheng

PanAust Managing Director and Chief Executive Officer

2022 HIGHLIGHTS AND 2023 CHALLENGES

2022 HIGHLIGHTS

ECONOMIC PERFORMANCE

- The Group's profit after income tax for the year ended 31 December 2022 was US\$90.1 million, US\$45.4 million higher than its 2021 profit. This was primarily driven by the US\$44.2 million impairment charge associated with the Frieda River Project which reduced the 2021 net profit after tax (NPAT). As at 31 December 2022, PanAust remains debt free and continues to generate positive operating cash flows with a closing cash balance of US\$217 million.
- The successful life of mine extensions to 2030 of the Ban Houayxai Operation in Laos.
- Negotiations commenced with the Government of Laos to review and agree on the fourth amendment to the Mineral Exploration and Production Agreement. This is expected to be finalised in 2023.

GOVERNANCE

- Continued commitment to transparent reporting as an unlisted public company, including disclosing material sustainability matters to the Global Reporting Initiative (this is the sixteenth Business Review and Sustainability Report prepared by PanAust).
- Review and update of information technology systems following a critical cyber security incident.
- Completion of a review of the company's anti-bribery and corruption and donations policies.
- Completion of a review into PanAust's compliance with its Sustainability Policy and international human rights standards in relation to the proposed Frieda River Project.

SOCIAL PERFORMANCE

- Total Phu Bia Mining activity, including indirect benefits through employment, training, community development and payments to local suppliers, accounted for 2.7 per cent of Laos' 2022 real gross domestic product (GDP).¹
- A total of US\$137,411 was expended on community development fund (CDF) projects in Laos.
- US\$132,413 was spent on health, education, and sustainable livelihood capacity-building in Papua New Guinea.
- Future state of operations and possible options were continued to be discussed with host communities surrounding the Phu Kham and Ban Houayxai Operations.

ENVIRONMENTAL PERFORMANCE

- In line with stakeholder expectations, progressive rehabilitation of new and existing landforms is occurring across Operations in Laos reflecting stakeholders' expectations on revegetation, erosion control and surface water management activities.
- All work packages for the Environmental Permits for the Frieda River Project were completed including:
 - The independent Peer Review of the Frieda River Hydroelectric Project design for the Frieda River Project conducted by consultants engaged on behalf of the Government of Papua New Guinea; and
 - The Conservation and Environment Protection Authority (CEPA) led statutory engagement campaign along the Sepik River corridor.

HEALTH AND SAFETY PERFORMANCE

- PanAust's COVID-19 controls implemented during the pandemic were embedded as business as usual.
- PanAust Group's Total Recordable Incident Frequency Rate (TRIFR) and lost time injury frequency rate (LTIFR) continued to be significantly better than industry averages.²

OUR PEOPLE

- 21 per cent female participation was maintained throughout 2021 and into 2022.
- 93 per cent localisation of employees in Laos has been maintained.
- Formal appointment of a new Managing Director and CEO, with a new simplified organisational structure introduced to support a short-term strategic focus in Laos.

¹ The Company estimates Laos' real GDP to be approximately US\$12.8bn. Total Phu Bia Mining activity including indirect benefits through employment, training, community development and payments to local suppliers accounted for 2.7 per cent of this estimated GDP.
² International Council Metals and Mining (ICMM) Safety Performance Report; Benchmarking progress of ICMM company members in 2022.

2023 FUTURE CHALLENGES

ECONOMIC PERFORMANCE

- Maximise returns from existing assets and maintain net profit after tax and positive cash flow to support mine life extensions, shareholder dividends and Company growth projects.
- Sustain the business in the short term through the extension of the life of mine at the Phu Kham and Ban Houayxai Operations.
- Maintain strong cash flow and minimise capital expenditure requirements with expected lower production profile of the Lao Operations.
- Identify near mine replacement production for the Operations in Laos.
- Leverage the Company's assets, systems, and human resources to generate new sources of cash flow.
- Identify and pursue acquisition opportunities to secure the Company's future.

GOVERNANCE

- Review PanAust's governance framework and key policies to ensure effective governance of all key risks in each project jurisdiction.
- Update training on key governance policies, including anti-bribery and corruption, donations and modern slavery.
- Ensure robust governance policies and processes are followed in Laos, Papua New Guinea, and Myanmar.
- Negotiation of extensions of licences, permits and concession agreements with host governments.
- Ensure full compliance with PanAust's sustainability policy and international standards, and the robust project approval and stakeholder engagement legislative processes in Papua New Guinea, for the Frieda River Project.

SOCIAL PERFORMANCE

- Progress social closure strategies for the Operations in Laos in conjunction with key stakeholders to develop sustainable livelihoods in local communities, reduce mine dependency and ensure successful post-closure outcomes.
- Continue robust stakeholder engagement and capacity-building programs in Papua New Guinea.

ENVIRONMENTAL PERFORMANCE

- Supporting environmental and social impact assessment work for the life of mine extension projects.
- Continue to manage sediment and erosion control risks that are prevalent in the mountainous and high rainfall setting of the Phu Kham and Ban Houayxai Operations, and the Frieda River Project.
- Identify further opportunities to improve energy efficiencies to reduce carbon dioxide emissions.
- Continue to understand and manage the risk profile of Operations in Laos, particularly in areas such as waste management (tailings and acid rock drainage) and water management.

HEALTH AND SAFETY PERFORMANCE

- Maintain health and safety performance levels across the business including life of mine extension projects.
- Grow and enhance the Company's safety culture to achieve Zero Harm safety objectives.
- Continue to work with local contractors to enhance their safety culture and meet PanAust's contractor management standards.

OUR PEOPLE

- Leverage highly developed human resources systems and continue the development of the Laos national workforce to increasingly operate, maintain and manage the Operations in Laos to international standards.
- Continue to attract and retain high-calibre talent as mine closure approaches in Laos.
- Ensure organisational structure and people strategy continues to support company's short, mid, and long-term objectives.

PANAUST'S VISION AND VALUES

OUR VISION

PanAust is a multinational resources company that delivers excellence in all its endeavours.

PanAust is committed to developing and operating a sustainable business model through:

- creating value for its shareholder
- enhancing Group-wide performance
- leveraging the strength of its diversified culture.

OUR VALUES

PEOPLE

In addition to our strong commitment to acting with integrity and building on our diversity, we have a clear focus on the health, safety, and wellbeing of everyone we interact with in all that we do.

PLANET

We are committed to maintaining our positive and sustainable relationship with the natural environment wherever we operate.

PROSPERITY

We strive to advance the positive economic and social impact of our operations on our people, our host communities, and our shareholder.



Senior Livelihood Officer Vichith Silaphet and Senior Administration Officer Maisone Xayavong reviewing the care and management of vegetable farming in the GMO Valley with Ms Maxoing from Nam Gnone Village.



Cat® 777D—100 tonne rigid chassis dump truck in the mobile maintenance workshop at the Phu Kham Copper-Gold Operation

ECONOMIC PERFORMANCE



Cat® 777D—100 tonne rigid chassis dump truck fully loaded with ore ascending the haul road at the Ban Houayxai Gold-Silver Operation

IN 2022 PANAUST ACHIEVED A CONSOLIDATED NET PROFIT AFTER INCOME TAX (NPAT) FOR THE YEAR OF US\$90M—EXCEEDING THE 2021 RESULT (US\$45M). THIS INCREASE IS PRIMARILY DRIVEN BY AN IMPAIRMENT CHARGE IN 2021 (US\$44.2M) RELATED TO THE FRIEDA RIVER PROJECT. TOTAL PRODUCTION AND METAL PRICES WERE GENERALLY CONSISTENT BETWEEN 2021 AND 2022.

Group consolidated annual metal production performance against budget was higher in 2022, with 37,162 tonnes (t) of copper in concentrate produced (up from 32,385 t in 2021). Gold and silver production totalled 129,334 ounces (oz) and 686,264 oz respectively in concentrate and doré (a slight increase in gold production from 126,671 oz in 2021 and decrease of silver production from 878,599 oz in 2021).

OPERATIONAL PERFORMANCE

THE COMPANY DELIVERED A STRONG FINANCIAL RESULT AND IMPROVED THE SUSTAINABILITY OF THE BUSINESS. THIS WAS DELIVERED BY CONTINUING TO IMPLEMENT RIGOROUS OPERATIONAL AND FINANCIAL STRATEGIES TO TAKE ADVANTAGE OF THE HIGHER METALS PRICES TO PURSUE EXPLORATION AND LIFE OF MINE EXTENSION OPPORTUNITIES.

In 2022, Operations returned to pre-pandemic levels following the lifting of COVID-19 border crossing restrictions. The Phu Bia Mining logistics team recommenced haulage of copper-concentrate from Phu Kham to Hon La port in Vietnam, taking over from a temporary team of Vietnamese contractors who collected and transported concentrate from the Laos/Vietnam border.

Major infrastructure works were undertaken across the Phu Kham Operation to enable the pit expansion to the south (South Wall Cutback project), unlocking access to the copper ore below. These works included realigning the public road that runs alongside the Phu Kham pit, bridge removal works as part of the realignment, power water and data service line relocations, new refuelling and service facilities, mining equipment go-line for operator change overs, and a new primary crushing station and conveyor circuit. All these works were successfully carried out without disruption to existing operations.

A drilling program at Ban Houayxai was completed during 2022, to support a proposed mine life extension to 2030. This included additional resources identified through infill drilling and de-risking as well as cutbacks and pit optimisations.

The run of mine road at Ban Houayxai was also switched to a new alignment to support the life of mine extension and provide linkage to the future Ban Houayxai Extension Project.

Negotiations were advanced in relation to the fourth round of proposed amendments to the MEPA requested by the Government of Laos. An internal negotiation committee was formed early in the year and several rounds of meetings were held with the Government of Laos before a draft MEPA revision was submitted. Negotiations are ongoing and it is expected the amendment to the agreement will be finalised in 2023.

Ongoing infill and definition drilling was undertaken at the Ban Houayxai Extension deposit increasing the ore resource and confidence levels, with the aim of refining resource estimations and sterilising the Waste Rock Dump (WRD) location. Concurrently, geotechnical drilling commenced for the proposed two satellite open pits and the WRD foundations. A Pre-Feasibility Study (PFS) was submitted to the Government of Lao, and a project execution team was formed in anticipation of early works beginning in 2023. Other near mine exploration works were undertaken around both the Phu Kham and Ban Houayxai operations with the intent of developing satellite targets for potential ore feed to the sites.



Cat® 777D—100 tonne rigid chassis dump truck being loaded at the Ban Houayxai Gold-Silver Operation.

PHU KHAM COPPER-GOLD OPERATION (PANAUST OWNS 90 PER CENT)

OVERVIEW

The Phu Kham Copper-Gold Operation is located approximately 140 km north of Lao's capital city, Vientiane, and is the Company's flagship Operation. The Operation comprises an open pit mine feeding ore to a process plant with recovery of copper, gold, and silver into a saleable concentrate using conventional flotation technology.

The concentrate contains approximately 23 per cent copper and up to 8 grams per tonne (g/t) gold and 34 g/t silver.

Seventy per cent of Phu Kham's concentrate is trucked in covered containers to the port of Hon La in Vietnam (approximately 650 km from the Operation) and the remaining 30 per cent to Sriracha Harbour in southern Thailand (approximately 1,000 km from Phu Kham) for export to smelters mainly in Asia.

The Phu Kham Copper-Gold operation benefited during the year from higher metal production, lower operating costs, and efficiency improvements. This was despite the increase in commodity prices and continued impact of COVID-19 during 2022 due to quarantine and roster requirements during the 1st quarter of the year.

MINING AND PROCESSING

In 2022, Phu Kham recorded a higher increase in production than budgeted with 37,162 t of copper in concentrate produced. This was due to the prioritisation of waste rock stripping in 2021, allowing for further mining areas to be exposed and accessed for production in 2022. Silver concentrate increased in 2022 compared to 2021 by 29 per cent, due to an increase in produced concentrate. The 2022 C1* and all-in sustaining costs (AISC)** after precious metal credits was US\$1.22/lb and US\$2.62/lb copper respectively.

Mining Operations performed well during 2022, even as ore continued to harden with the multi-stage deepening of the open pit. Total ex-pit material mined was ahead of budget at 40.8 Mt, which includes 10.4 Mt of ore, and over 10.7 Mt of ore was milled.

Copper recovery averaged 82.3 per cent, which although higher than budgeted, was a slight decrease from 2021. The Phu Kham current Ore Reserve supports a mine life to the end of 2025.

PHU KHAM COPPER-GOLD OPERATION PRODUCTION STATISTICS

	2021	2022	Variance (%)
Total material mined (Mt)	32.79	40.82	24
Ore milled (Mt)	7.73	10.77	39
Copper grade (%)	0.51	0.42	(18)
Gold grade (g/t)	0.23	0.24	4
Silver grade (g/t)	1.41	1.16	(18)
Concentrate produced (dmt)	141,570	160,858	14
Copper in concentrate (t)	32,385	37,162	15
Gold in concentrate (oz)	29,342	44,490	52
Silver in concentrate (oz)	135,867	175,748	29

* Brook Hunt convention for reporting direct costs comprising: mine site, production transportation and freight, treatment and refining charges and marketing costs; based on payable metal content after by-product credits.

** AISC reporting are the C1 cost plus royalties, allocated corporate charges, shared services costs, sustaining capital, lease principal and interest charges, and deferred mining and inventory adjustments capitalised.



The Ban Houayxai Gold-Silver Operation process plant cyclone tower

BAN HOUAYXAI GOLD-SILVER OPERATION (PANAUST OWNS 90 PER CENT)

OVERVIEW

The Ban Houayxai Gold-Silver Operation is located approximately 25km west of the Phu Kham Operation. Commencing production in 2012, the Operation comprises an open pit mine feeding ore to a conventional carbon in leach (CIL) and gravity recovery process plant.

MINING AND PROCESSING

In 2022, Ban Houayxai recorded higher than budgeted production and total material mined, compared to 2021. A total of 17 Mt of material was mined in 2022 which included 5.5 Mt of ore; with 4.7 Mt processed.

Although mill operating time at 93.9 per cent was slightly down on budget, it is similar to 2021 levels of 93.3 per cent.

The Ban Houayxai Gold-Silver operations produced lower metal compared to 2021 with 84,844 oz and 510,517 oz of gold and silver in doré respectively. This decrease was primarily driven geological variations within the operating pits.

The average C1 cost after silver credits was US\$894/oz gold and an AISC of US\$1,512/oz gold was achieved.

With the introduction of the Ban Houayxai Extension project, the mine life has been extended to 2030.

BAN HOUAYXAI GOLD-SILVER OPERATION PRODUCTION STATISTICS

	2021	2022	Variance (%)
Total material mined	15.22	17.05	12
Ore milled (Mt)	4.53	4.70	4
Gold grade (g/t)	0.79	0.72	(9)
Silver grade (g/t)	8.07	6.8	(16)
Gold in doré (oz)	97,329	84,844	(13)
Silver in doré (oz)	693,526	510,517	(26)

GROWTH OPPORTUNITIES: EVALUATION AND EXPLORATION

FRIEDA RIVER PROJECT, PAPUA NEW GUINEA (PANAUST OWNS 100 PER CENT)

PanAust—through its wholly owned subsidiary, Frieda River Limited—holds a 100 per cent interest in the Frieda River Project.

The Independent Public Review (IPR) of the Project's EIS and proposed hydroelectric dam facility, which commenced in 2019, was completed by the Papua New Guinea Government-appointed independent consultants in 2021.

In 2022, the Company continued to progress permitting and undertaking stakeholder engagement activities in support of its Special Mining Lease and Environmental Impact Statement (EIS) submissions required by the Government of Papua New Guinea.

Community engagement activities relating to the permitting process were continued, with the commencement and completion of the statutory EIS consultation in 2022.

SAGAING REGION EXPLORATION, MYANMAR (PANAUST OWNS 90 PER CENT)

In Myanmar, PanAust holds a 90 per cent interest in Wuntho Resources Company Limited (WRCL) and has established a joint venture with Myanmar Energy Resources Group International Company Limited, a Myanmar-based company which holds the remaining 10 per cent of WRCL.

The Joint Venture holds seven Exploration Licences that cover approximately 1,500 km² in the Sagaing Region.

In February 2021, the Company demobilised and ceased all mineral exploration activities in country. No exploration drilling work was completed in Myanmar in 2022. The safety, security and health and wellbeing of its people in Myanmar remain the priority for the business and accordingly the Company has continued to pay the wages of its Myanmar employees.

CONTRACT AREA EXPLORATION, LAOS (PANAUST OWNS 90 PER CENT)

In 2022, ongoing infill and definition drilling efforts took place at the Ban Houayxai Extension deposit, with the aim of refining resource estimations and sterilising the Waste Rock Dump (WRD) location. Concurrently, geotechnical drilling commenced for the proposed open pits and the WRD foundations. A Pre-Feasibility Study (PFS) was submitted to the Government of Laos, and a project execution team was formed in anticipation of early works beginning in 2023. The completion of the Feasibility Study (FS), options studies and the Environmental and Social Impact Assessment (ESIA) is expected in 2023.

Near-mine drilling continued at the Phu Kham Operation, the results of which informed an assessment of an open pit extension. Considering these results and the increase in metal prices in 2020 and 2021, the Company approved the South Wall Cutback Project, which enabled a life of mine extension to 2025. Project planning commenced in 2021 for project delivery in 2023.

INCA DE ORO COPPER-GOLD PROJECT (PANAUST OWNS 66 PER CENT), CARMEN DEPOSIT (PANAUST OWNS 100 PER CENT), CHILE

PanAust completed a feasibility study on the Inca de Oro Copper-Gold Project in 2014. No material site activities were planned or undertaken at Inca de Oro or the nearby Carmen deposit in 2022. The Inca de Oro exploration project is currently on hold with the camp in care and maintenance.

SAISANA LAO RESOURCES SOLE CO LIMITED (PANAUST OWNS 100 PER CENT)

PanAust established a wholly owned Lao entity, Saisana Lao Resources Sole Co Limited (Saisana), for the purposes of pursuing new mining opportunities within Laos in 2021. To date, Saisana, in collaboration with local private enterprises and representatives of the Government of Laos, has identified a number of mining opportunities outside Phu Bia Mining's Mineral Exploration Production Agreement contract area. These opportunities cover a range of commodities and are at various stages of development. Evaluation activities are regularly carried out for opportunities identified, with discussions with vendors progressing for selected projects.

TARGETED ACQUISITIONS

Throughout 2022, PanAust continued to search for global opportunities to invest in base and precious metals projects. The Company targeted advanced projects that are in production or could be brought online within a few years and are of suitable mine life and cost structure in the context of the broader asset portfolio.

FINANCIAL PERFORMANCE

HIGHER METAL PRICES AND HIGHER MILLED VOLUMES CONTINUED TO SUPPORT FINANCIAL PERFORMANCE IN 2022, WITH CHALLENGES FROM HIGHER DIESEL PRICES.

PanAust's consolidated NPAT for 2022 increased to US\$90m (2021: US\$45m), with underlying earnings before interest, taxes, depreciation, and amortisation (EBITDA) of US\$190m (2021: US\$221m).

Sales revenue from ordinary activities decreased slightly to US\$536m (2021: US\$562m) driven by the slight decrease in copper and silver prices.

Average prices realised for sales (including price adjustment and hedging) during 2022 were US\$4.02/lb for copper, US\$1,817/oz for gold and US\$22/oz for silver (2021: US\$3.85/lb, US\$1,803/oz, and US\$25/oz respectively).

At the end of 2022, PanAust remained debt free and continued to generate positive cash flow with a closing cash balance of US\$217m.

CASH FLOWS AND SALES

Net cash inflow from operating activities was US\$173m (2021: US\$208m).

OPERATIONAL COSTS YEAR-ON-YEAR COMPARISON

	2021	2022	Variance (%)
Phu Kham C1 cost (US\$/lb copper)	1.22	1.22	0
Phu Kham all-in sustaining cost (US\$/lb copper)	2.86	2.62	(8.4)
Copper price (including price adjustment and hedging) (US\$/lb)	3.85	4.02	4
Ban Houayxai C1 cost (US\$/oz gold)	702	894	(27.4)
Ban Houayxai all-in sustaining cost (US\$/oz gold)	1,040	1,512	45.4
Gold price (including price adjustment and hedging) (US\$/oz)	1,803	1,817	1

CAPITAL EXPENDITURE

More than US\$15m in capital expenditure occurred on major development projects in Laos in 2022 (2021: zero) with most of this related to the South Wall Cutback project.

BALANCE SHEET

At the end of 2022, PanAust had a cash position of US\$217m (2021: US\$212m); no external debt (2021: zero); and no mobile equipment lease facilities (2021: nil).

REPORTING COMPLIANCE

As an unlisted public company, PanAust continues to lodge an audited Annual Report (including financial statements) for the year of income with ASIC and fulfill its reporting and compliance obligations.



Process Trainer Mr Thongia Thor at the process plant of the Phu Kham Copper-Gold Operation.

GOVERNANCE AND RISK

SUSTAINABILITY STRUCTURE

PANAUST TRANSITIONED FROM A LISTED PUBLIC COMPANY IN 2015 TO A SUBSIDIARY OF GUANGDONG RISING HOLDING GROUP CO. LTD (GRHG).

PanAust has retained good practice corporate governance frameworks, systems and standards which are underpinned by the Company's Values and a culture of continuous improvement.

THE PANAUST BOARD OF DIRECTORS

The Board of Directors is the highest governance body within PanAust. The Directors for the period 1 January to 31 December 2022 are listed below.

Board member	Position	Date appointed
Mr Shu Yao	Chairman	11 May 2021
Mr Daling Zheng	Executive Director	27 August 2018
	Managing Director and Chief Executive Officer	17 June 2022 (Interim from 12 April 2022)
Mr Paul Arndt	Non-Executive Director	27 August 2018
Mr Wenhao Pan	Non-Executive Director	11 May 2021
Mr Mengliang Dai	Non-Executive Director	11 May 2021
Mr Lei Feng	Non-Executive Director	10 May 2022

For the profiles of the current members of PanAust's Board, see the Company's website: panaust.com.au/our-people/#boardofdirectors

PanAust's Board of Directors and members of the PanAust management team are responsible for ensuring effective measures, systems, and controls are in place in relation to managing environmental, community, health and safety, human resources and other sustainability-related issues and incidents that may have material strategic, business, and reputational implications for the PanAust Group and its stakeholders. Reporting by PanAust is in accordance with the Global Reporting Initiative (GRI) Universal Standards or other reporting standards.

REMUNERATION STRATEGY

PanAust's approach to employee remuneration promotes a performance-based culture. Remuneration, benefits, and rewards are aligned with PanAust's strategy, plans and objectives, and merit forms the foundation of performance-based pay and career progression.

Remuneration is linked to quantitative lead and lag targets against which sustainability performance is measured at all levels of the organisation. These targets reinforce sustainability performance as a key component of the Company's culture.

The senior management team members are evaluated against their position descriptions, of which sustainability performance is a component.

EXTERNAL STANDARDS, PRINCIPLES, AND GUIDELINES

PanAust measures its sustainability performance against international standards and commissions and periodic independent audits to evaluate its performance.

PanAust endeavours to act in accordance with the following standards, principles, and guidelines:

- the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability (applied to PanAust's operating assets), ifc.org
- the Minerals Council of Australia (MCA) Enduring Value³ which aligns with the International Council on Mining and Metals (ICMM) Sustainable Development Framework Principles: minerals.org.au, icmm.com
- the International Council on Mining and Metals Principles For Climate Change Policy Design icmm.com
- the International Cyanide Management Code (the Cyanide Code). A voluntary industry program administered by the International Cyanide Management Institute (ICMI) for the gold-mining industry that promotes the responsible use of cyanide. PanAust has been a signatory to the Cyanide Code since 2011 when the Ban Houayxai Gold-Silver Operation in Laos was certified, and has since achieved certification of its Logistics operations in Laos in 2022: cyanidecode.org
- the GRI Universal Standards. PanAust reports against the GRI Standards on topics that are material to its business as determined through its risk management approach and materiality determination process: globalreporting.org
- the Voluntary Principles on Security and Human Rights (VPSHR). A set of principles designed to guide companies in maintaining the safety and security of their Operations within a framework that encourages respect for human rights. PanAust has been a member company of the VPSHR since 2013: voluntaryprinciples.org.

EXTERNAL RECOGNITION

PanAust is proud of its sustainability and operational performance and has been recognised internationally through several awards. A list and description of PanAust's awards can be found on the Company's website, panaust.com.au/external-recognition.

MAINTAINING A SUSTAINABILITY CULTURE

For PanAust, a successful and sustainable business is one where financial and non-financial performance outcomes are pursued in a complementary manner.

The Company's approach to sustainability has its foundations in its Vision and Values and code of conduct—The PanAust Way. PanAust's Sustainability Policy outlines the Company's commitment to sustainable performance through improving health and safety, recognising and respecting cultural heritage values of our host communities, sound environmental management practices, the application of ethical business practices, corporate governance standards, and opposing all forms of slavery. The Policy includes a commitment to continuously improve sustainability management and performance. The Sustainability Policy is available to employees in English, Lao, Tok Pisin, Vietnamese, and Thai languages on the Company's intranet.

Sustainability is implemented through visible leadership and people management, induction, and ongoing training and awareness sessions, strict observance of high-quality corporate governance standards, excellence in financial management, outstanding technical expertise, and supportive processes and systems.

Sustainability performance forms part of the PanAust management team's critical tasks for each year. In 2022, the Group General Council (formerly Head of Safety and Internal Control, pre-Q4 2022) was responsible for risk management, and sustainability across the PanAust Group, and reported directly to PanAust's Managing Director and CEO.

Since 2009, the Company has facilitated an annual workshop with senior management, managers, and sustainability support staff across the Group. This year, a Safety Summit workshop was convened in June 2022, and the major outcomes are presented in the breakout box on page 25.



OUTCOMES FROM THE ANNUAL WORKSHOP ARE INTEGRATED INTO THE PANAUST GROUP'S ANNUAL RISK PLAN, AND INDIVIDUAL SUSTAINABILITY ACHIEVEMENT PLANS.

³ PanAust is an associate member of the MCA and a signatory to its 'Enduring Value—The Australian Minerals Industry Framework for Sustainable Development'. The framework commits companies to uphold fundamental human rights and respecting cultures, customs, and values in their dealings with people affected by their activities. As an associate member of the MCA, PanAust is committed to applying operational standards globally that are consistent with Australian operational standards, while accommodating variations because of cultural, geographical, or environmental circumstances in Laos, Papua New Guinea, Myanmar, and Chile. Full MCA membership requires Australian-based assets.

2022 SAFETY SUMMIT OUTCOMES

The group resolved to focus on culture, risk, leadership, communication, people and training in 2022 and deliver 13 safety strategy initiatives.

Safety strategy focus areas included:

- **Culture**—Two initiatives were introduced to empower employees and contractors to own safety by being accountable, responsible, habitual, meaningful, and personal.
- **Risk**—To meet the dual objectives of achieving zero harm, and ensuring that safety systems are agile and effectively delivering performance at an equal or higher standard over time, the Company introduced seven safety improvement initiatives including:
 - Establishing a critical control verification framework to ensure that critical controls are in place and are effective and performing as expected
 - Establishing a quarterly incident review meeting to ensure that incidents are being investigated and acted on in a timely manner
 - Revising the company's ICAM process to reduce complexity
 - Organising an external review of the safety management system to gain external feedback on its performance
 - Investigating more innovative solutions for managing risk assessments
 - Refreshing and developing new safety-related training materials
 - Ensuring that risks are reviewed in a team-based and consultative manner, enabling all relevant viewpoints to be considered including that of the team.
- **Leadership**—Rolling out plans to educate leaders on safety leadership and how to visibly display it.
- **Communication**—The Phu Kham mine continued to implement its revised safety communications strategy allowing for an efficient and effective delivery of safety stories and establishing mechanisms for feedback loops.
- **People**—Ratios for job roles were a key point of discussion at the summit. A review of the supervisory workload became an initiative to ensure appropriate spans of control allowing for effective management of teams.
- **Training**—An overall audit of training systems was deemed necessary to revise, streamline, and modularise training to ensure the skills being taught to all employees result in efficient and effective work teams.

BUSINESS CONDUCT

PANAUST IS A COMPANY WITH A CLEAR VISION AND A STRONG COMMITMENT TO HIGH PERFORMANCE OUTCOMES. IT RECOGNISES THAT THE WAY IT CONDUCTS ITS BUSINESS IS KEY TO DEVELOPING AND MAINTAINING ITS SOCIAL LICENCE TO OPERATE IN HOST COUNTRIES AND WITH HOST COMMUNITIES.

PanAust's Vision and Values and code of conduct (The PanAust Way), applies to all employees, directors, and business partners providing guidance on how the business will operate legally, ethically, and with integrity and respect.

Our business partners include contractors, consultants, suppliers, and service providers working with or for the PanAust Group, regardless of their position and location. The PanAust Way includes sections on workplace behaviour, operating with integrity, communicating externally, and managing sustainability.

PanAust's Vision and Values and The PanAust Way are presented and distributed throughout the Company in English and Lao. Key concepts are also frequently communicated to reinforce the application of the Company's Vision and Values.

PanAust has internal controls and procedures in place to monitor for the possible misappropriation of funds, bribery and corruption and other code of conduct-related issues. This includes periodic checks through external audits and reviews, and senior management-led reviews.

No incidents relating to breaches of The PanAust Way were identified during 2022.

ANTI-BRIBERY AND CORRUPTION

PanAust recognises that acts of corruption undermine the effectiveness and legitimacy of government institutions to the detriment of the public. Such acts are illegal and real or perceived acts of corruption can also impact PanAust's social licence to operate. PanAust prohibits employees, directors, and its business partners from making or receiving bribes or corrupt payments and endeavours to ensure complete transparency of all transactions.

The PanAust Way communicates the Company's position in relation to anti-bribery and corruption, and provides guidelines relating to gift giving and receiving, anti-competitive behaviour and compliance with the law.

The PanAust Way prohibits employees from making facilitation payments. PanAust has a Company-wide training package that informs employees about relevant anti-bribery legislation and prohibited conduct.

PanAust also has in place specific anti-bribery and corruption standards in Laos and Myanmar that set out the standard of behaviour expected of directors and employees as well as contractors, consultants, suppliers, and services providers while working for PanAust and its subsidiaries.

PanAust employees, directors and business partners must comply with the laws of the countries in which the Company operates. Under Australian law, it is an offence for Australian companies, citizens, and residents to bribe foreign public officials (*Criminal Code Act 1995*).

PanAust will not use third-party intermediaries to circumvent the application of the Company's strict prohibition of bribery and other corrupt payments.

PanAust has cash management policies in place that promote the active reduction of the use of cash across the business. Strict accounting and reporting processes are in place to ensure transparency relating to transactions.

PanAust also uses business integrity screening software to improve the detection and prevention of anomalous payments.

There was one instance in 2022 of a proposed Company-related transaction that may have been seen as a breach of the Group's anti-bribery and corruption standards. Authorisation for the proposed transaction was not granted by the PanAust Legal and Governance team. An internal review of the Phu Bia Mining, Myanmar, and PanAust Anti-bribery and Corruption and Donations processes and training followed, with a number of recommendations expected to be implemented during 2023.

THE WHISTLEBLOWER STANDARD AND SERVICE

PanAust has a Whistleblower Standard and a Whistleblower service in place that allows for the reporting of any conduct that is contrary to The PanAust Way. Issues can be raised via the Whistleblower Service by mail, email, telephone, or an online form available on PanAust's website, panaust.com.au/whistleblower-service. A review of the online submission process was undertaken in 2022 and improvements made to how a report can be made.

The Whistleblower Service is available in English, Lao, and Tok Pisin and a translation service is available for other languages for submissions made online, by email, or voicemail message. Issues can be reported anonymously, and employees are encouraged to use the service if they are uncomfortable raising issues through normal day-to-day reporting channels.

PanAust prohibits any form of retaliatory action against anyone who raises a genuine concern, or for helping to address a concern. A link to PanAust's Whistleblower Service is available on the Company's website, panaust.com.au/corporate-governance.

In 2022, one matter was reported through the Whistleblower Service and investigated following the processes outlined in the PanAust Whistleblower Standard.

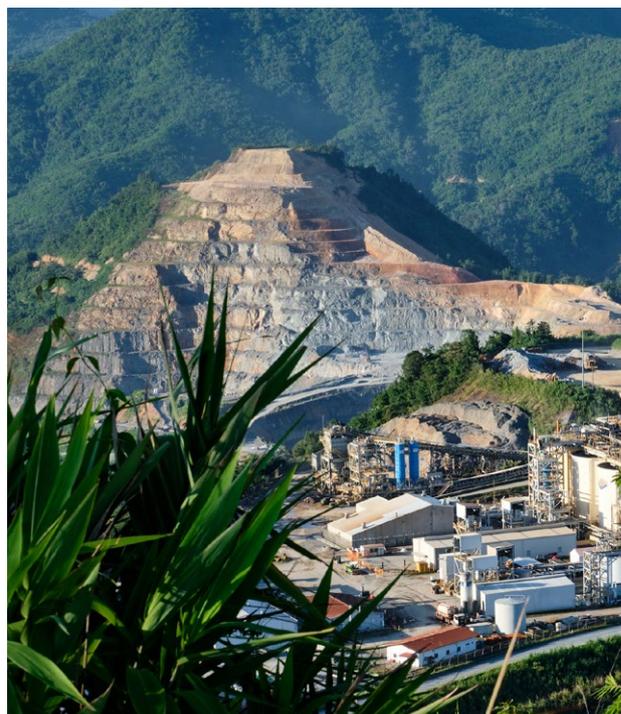
HUMAN RIGHTS

Human rights are basic rights and freedoms to which all people are entitled. Human rights apply to every person across the globe regardless of their birthplace, age, personal beliefs and/or any other individual attribute.

PanAust supports and respects human rights consistent with the Universal Declaration of Human Rights.

Human rights encompass a broad range of issues in relation to PanAust's employees, contractors and suppliers, host communities, customers, business partners and other stakeholders impacted by its Operations. The Company understands that to manage human rights risks and realise opportunities, PanAust needs to build collaborative and transparent relationships with these key stakeholders across the mining lifecycle.

Where available, PanAust uses existing systems and processes for the assessment and management of human rights issues, and as a minimum, PanAust meets applicable legal requirements in relation to human rights.



Looking across the Ban Houayxai Gold-Silver Operation process plant towards the north pit.

2021 represented the second reporting period for the Company under the Australian Modern Slavery Act (2018), with the second statement being approved by the board on 29 June 2022. Furthermore, in 2022, PanAust recorded no breaches of Indigenous people's or other human rights, however, one complaint was received.

In December 2021, the Australian National Contact Point for Responsible Business Conduct (AusNCP) received a complaint from two non-governmental organisations (NGOs) (Project Sepik Inc. and Jubilee Australia Research Centre), claiming to represent 2,638 Indigenous residents along the Sepik River, downstream of PanAust's proposed Frieda River Mine site in Papua New Guinea.

In summary, the complaint alleged that PanAust's actions breached the Disclosure, Human Rights and Environment standards of the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises. PanAust responded to the complaint by firmly denying any such breach and confirmed that the matters complained about are the subject of ongoing legislative and consultation processes in Papua New Guinea. PanAust engaged in the complaint process in good faith and provided submissions to the AusNCP. In response to the submissions of the complainants and PanAust, the AusNCP provided an initial assessment in July 2022, and a final statement regarding PanAust's compliance with the Guidelines is expected to be issued in mid-2023.

A summary of PanAust's approach to managing human rights is provided in the table below and includes references to examples presented in this Report.

PANAUST'S APPROACH TO MANAGING HUMAN RIGHTS

Commitment	<ul style="list-style-type: none"> ▪ The PanAust Way ▪ Sustainability Policy ▪ Sustainability Standards ▪ Human Resources Standards ▪ Member Company—Voluntary Principles on Security and Human Rights (see page 24) ▪ Alignment to the ICMM Indigenous Peoples and Mining Position Statement ▪ Annual reporting requirement under the Australian <i>Modern Slavery Act</i> (2018)
Assessment	<ul style="list-style-type: none"> ▪ Human rights risk assessments ▪ Human rights due diligence ▪ Environmental and Social Impact Assessments ▪ Stakeholder analysis (including Indigenous peoples, gender, vulnerable and disadvantaged) ▪ Modern slavery supply chain analysis and risk assessment
Action	<ul style="list-style-type: none"> ▪ Workforce practices and feedback mechanisms ▪ Stakeholder engagement (including disadvantaged groups) appropriate to the project and location context and the IFC Performance Standards (see pages 41 and 49) ▪ Supplier evaluations and contract clauses related to human rights (see page 29) ▪ Project designs, development, and closure consistent with cultural and social values of host communities (see pages 54 to 55) ▪ Grievance mechanisms, resettlement, and compensation protocols (see page 48) ▪ Human Resources grievance mechanisms including the Fair Treatment Standard and Workplace Representative Committee ▪ Community development (including opportunities to enhance the human rights of host communities, for example, access to water and improved healthcare, education, and livelihood opportunities) (see page 52 to 55) ▪ Social and Environmental Management Plans
Check and report	<ul style="list-style-type: none"> ▪ Periodic surveys including socioeconomic, perception, employee surveys ▪ Periodic audits including audits of the Lao Operations against the IFC Performance standards and sustainability standards and contractor audits (see page 35) ▪ Internal and external reporting ▪ Whistleblower Standard and Whistleblower Service (see page 27) ▪ Annual Modern Slavery Statement

SPONSORSHIPS AND DONATIONS

PanAust sponsors and donates to programs, organisations, and causes that build goodwill in operational areas and align with its Values.

PanAust's sponsorship and donation committees transparently and consistently assess requests against the priority areas:

- projects located in the countries where PanAust has operating assets or is undertaking project development activities
- activities of national importance and symbolism

- projects benefitting the people of the provinces and districts in which the Company operates or is present
- projects promoting the culture, history, society, and ethnic minorities representative of the areas in which the Company operates
- projects that support capacity-building of relevant sector government agencies.

Decisions are reviewed by the PanAust management team. Details of the Company's sponsorships and donations in 2022 are provided on page 52 of this Report.

SUSTAINABILITY IN THE SUPPLY CHAIN

Building mutually beneficial relationships with suppliers and contractors creates a sense of shared value that benefits the broader community and the PanAust Group.

The PanAust Way, along with PanAust's Procurement Policy and Contractor Health Safety and Environment Management Standard, set the minimum expectations for suppliers and contractors in areas including safety, environment, community, human rights and operating with integrity. The safety systems and performance of local contractors in Laos is a material issue for PanAust (see page 84).

In 2018, PanAust risk-profiled the Company's top tier (by expenditure) suppliers, which represent approximately 80 per cent of direct supplied goods. Each supplier was risk-ranked across several categories including safety, environment, compliance and anti-bribery and corruption. The profiling highlighted that within the top tier of the supply chain, PanAust engages reputable organisations whose systems and in-country legal obligations mean the necessity for PanAust to further influence performance is either not required or is limited.

A further risk review of suppliers in 2022 was carried out using the 2017 Global Estimates of Modern Slavery: Forced Labour and Forced Marriage Report, Global Slavery Index 2018 Report and the 2022 Trafficking in Persons Report to assess the risk of modern slavery in PanAust's supply chain. This assessment identified that almost 92 per cent in Tier 1 and Tier 2 of PanAust's 2022 procurement spend was with suppliers incorporated in countries whose governments fully meet the minimum standards for elimination of trafficking, or who do not fully meet the standards but are making significant efforts to bring themselves into compliance. This increase from 72 per cent in 2021, is due to countries such as Hong Kong, Thailand and Ireland being upgraded from Tier 2 watchlist into Tier 2 in 2022. The suppliers are still chosen based on the risk assessment and can be classed as reputable organisations.

Towards the end of 2022, a new supplier questionnaire for identifying modern slavery risks in the Group's supply chain was developed. It is expected to be implemented with supplier assessment commencing in 2023. This questionnaire will assist the supply team to identify and prioritise suppliers for closer inspection where they are identified as posing a higher risk for instances of modern slavery practices.



PANAUST PROCURES GOODS AND SERVICES LOCALLY WHERE PRACTICAL AND BASES ALL DECISIONS ON A DEFINED AND TRANSPARENT PROCESS THAT COVERS COMMERCIAL COMPETITIVENESS, RISK PROFILE AND CONTRACTOR/ SUPPLIER CAPACITY.

This support of local businesses results in direct and indirect benefits accruing to host communities and regional economies in Laos (see page 50) and Papua New Guinea. For this reason, PanAust acknowledges that its greatest supply chain responsibility is at a local level where it has the maximum ability to influence local suppliers and contractors. This will continue to be the focus of the Company's efforts.

In 2022, 48 per cent of goods and services for the Company were purchased in Laos and 83 per cent of goods and services are purchased regionally (Laos, Thailand, and Vietnam). At the Frieda River Project site, over 90 per cent of goods and services were sourced from local suppliers in Papua New Guinea. This resulted in a Frieda River Limited local expenditure of US\$4.1 million in Papua New Guinea.

PRODUCT STEWARDSHIP

In Laos, PanAust produces copper concentrate which is sold directly in Asia to international smelters or through merchant traders. Gold-silver doré is sold directly to a refinery. Given the volume of product relative to the overall market size, PanAust has limited influence on the end-purchaser or end-product (copper cathode or refined precious metals). When a direct sales contract is placed with a new customer (trader or smelter), due diligence is conducted to provide assurance on the customer's reputation, financial capability, and legal and business structure. Contracts are subject to PanAust's standard terms and conditions. All sales are secured by pre-payment or letter of credit.

PanAust's product stewardship approach focuses on the storage and transport of concentrate from mine site gate to port in such a way the product meets customer specifications and in-country requirements. PanAust owns and operates its own road transport fleet for concentrate movement in Laos and Vietnam. PanAust's management systems and associated auditing processes are integral to the product stewardship approach, and they include global positioning system monitoring and tracking, and the use of escort vehicles on high-risk sections of the haulage route to enhance road safety and reduce the risk of incidents.

The market considers PanAust's copper-gold concentrate 'clean' and product metal specifications are incorporated in contract terms and conditions with international customers. The Company complied with agreed contract specifications for product shipments during 2022. All trace elements, including arsenic, were in compliance with destination country maximum limits. PanAust engages directly with its customers through industry forums and office or site visits. PanAust received one customer complaint in 2022 related to corrosion on a weighbridge at Sriracha port which was rectified with new ball type load cells to the satisfaction of both parties.

RISK MANAGEMENT

PANAUST'S APPROACH TO RISK MANAGEMENT

PanAust recognises that identifying and managing risk is integral to business management. It improves the Company's profitability, safeguards the business, and creates long-term value for all stakeholders. PanAust uses risk registers, incident management systems and stakeholder feedback, combined with auditing and benchmarking processes to proactively identify, evaluate, prioritise, and manage risks. The aim is to track and improve business performance.

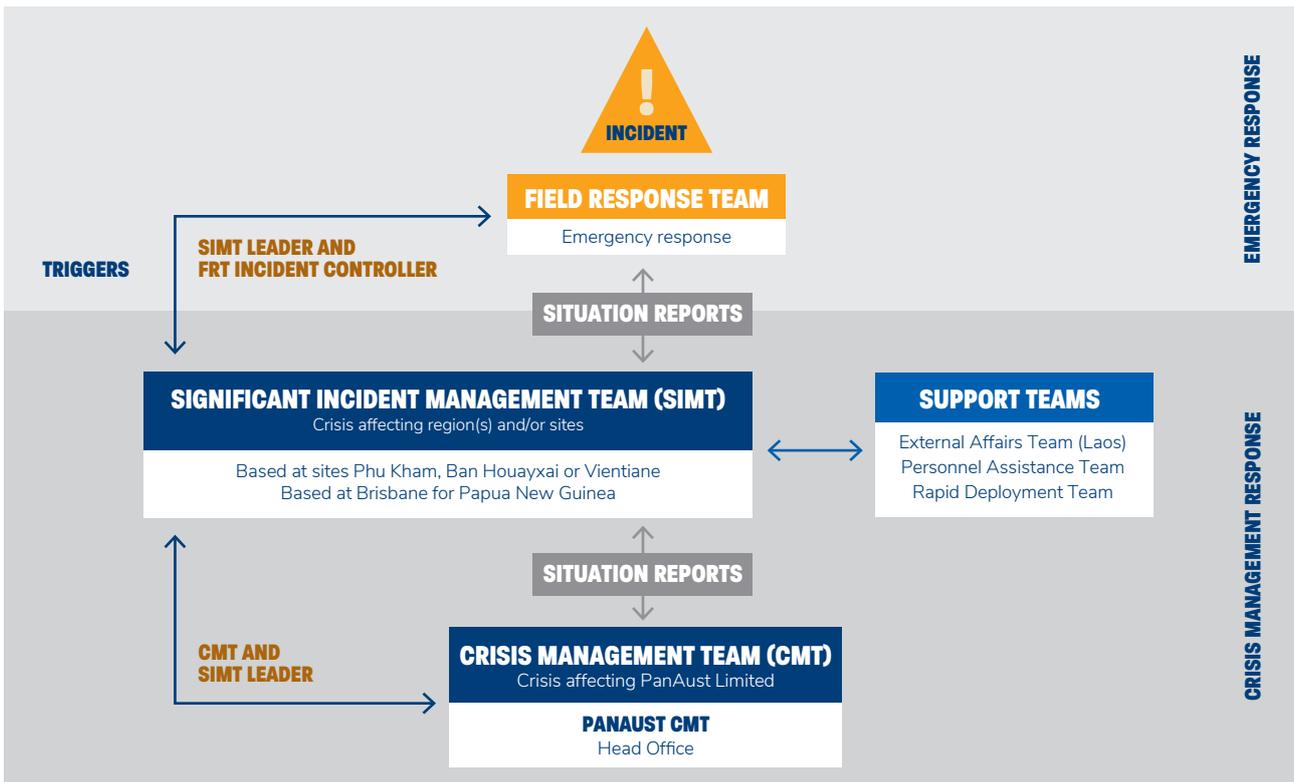
PanAust fosters a risk-aware corporate culture. Materiality and risk tolerance are key considerations in all business decisions. Risk management is embedded throughout the business and mining lifecycle, including PanAust's critical activities across all business functions and processes.

The risk management framework is also applied when considering business cases for growth projects and entry into new jurisdictions. Risk assessments and risk management plans are developed to ensure that potential reputational, legal, business, regulatory and political exposures are addressed and have appropriate mitigations embedded into business strategies and plans.

CRISIS MANAGEMENT FRAMEWORK

PanAust's crisis management structure enables an appropriate organisational response to potential incidents across the Company's diverse geographical locations of its operational activities. The organisation's response to an unplanned event is structured around a three-level event, three-level response framework:

- **Incidents:** Events that have occurred and resulted in or have the potential to result in adverse consequences to PanAust. The Field Response Teams at PanAust sites provide a first physical response to people or assess in the event of an incident occurring.
- **Emergency:** Incidents that have occurred and have the potential to be outside the range of normal Operations and require actions beyond everyday actions to contain or control the incident. A Significant Incident Management Team (SIMT) is called to manage the business aspects of any incident beyond site capabilities or boundaries and is responsible for ensuring all aspects of a crisis are managed within the relevant host country or region's requirements.
- **Crisis:** These are events with the potential to impact the underlying value of the Company. The PanAust Crisis Management Team (CMT) in Brisbane is formed. This team supports the SIMT and works on the crisis specifically as it relates to material business aspects of a crisis for PanAust.



RISK MANAGEMENT POLICIES, FRAMEWORK, AND PROCESSES

PanAust's Enterprise Risk Management (ERM) Policy outlines the requirement for an effective ERM system to identify and manage all material risks. The ERM policy was reviewed and updated in mid-2022. The policy is supported by the Company's ERM Standard.

In 2022, PanAust continued to focus on integrating risk management into all business processes, projects under evaluation, and planning for closure infrastructure.

PanAust's risk management framework includes criteria for materiality and guidance on treatment and reporting measures. Procedures align with:

- the International Organization for Standardization's (ISO) ISO 31000 Standard on Risk Management
- the Company's Sustainability Standard 4, Risk and Change Management
- Principle 15 of the Rio Declaration⁴ (the Precautionary Principle).

The PanAust ERM system is based on a three lines of defence model:

1. Operational level activities carrying out risk assessments and implementing control measures.
2. Corporate oversight including the development of the ERM framework and processes and carrying out assurance of the operational level activities.
3. Independent assurance to verify the first two lines are operating effectively.

PanAust's management team is responsible for ensuring that risk management systems and internal controls are in place, issues are reported to the PanAust Board as significant matters arise, and regular risk reporting processes are in place.

The management team carefully considers the level of risk it is prepared to tolerate. The PanAust management team guides corporate risk strategy, provides oversight of strategic issues, is accountable for implementing the ERM framework, and for monitoring effective implementation.

The PanAust management team has responsibility for a high-level risk register that identifies key material business risks relevant to PanAust at the Group level. Risk owners present to senior management on the management of material risks through a peer review process. In addition, every senior manager has responsibility for operational, departmental or project risk registers and is required to have in place plans to address significant risks.

The Company has a clear process for defining materiality. Group-level risks are defined as an event that would result in a consequence Level 5 or above, evaluated using the PanAust Extended Consequence Table (which uses a rating scale of 1 to 9, with nine being the highest consequence) on the following basis:

- is the risk significantly material to require public disclosure?
- could the risk substantively influence the assessment and decision of stakeholders?
- could the risk materially change the underlying value of the Company?
- given the strong reliance on Phu Kham for cash flow, could a production stoppage at the operation cause a US\$5m to US\$10m impact on cash flow and earnings before interest, taxes, depreciation and amortisation added back (EBITDA) respectively (equivalent to 10-14 days production)?
- will there be impacts on short, medium, and long-term production and financial results, impacts to health and safety, the environment, social outcomes, the Company's regulatory environment and its reputation?

PanAust has identified 25 active Group-level risks that are material to the Company. These risks have been identified within the following sections: Financial, Growth, Legal and Governance, Operational performance, Technology, Environmental performance, External affairs, People, Projects, and Social performance. Areas of non-financial risk that have been identified as material or potentially material to PanAust and its stakeholders are addressed in detail in this Report. Financial risks are outlined in PanAust's Annual Report which is submitted annually to Australian Securities and Investment Commission (ASIC) as a component of the Company's regulatory obligations.

Group-level risks were reviewed by the PanAust management team in 2022.

A key addition to the group risk register in 2022 is the risk related to cyber security. In recent years, the number of cybersecurity incidents impacting companies has risen significantly. The Australian Cyber Security Centre (ACSC) is a unit within the Australian Department of Defence, tasked with monitoring cyber events across the Australian telecommunications landscape. The ACSC now considers the threat of cybersecurity attack on Australian businesses as the most significant risk in terms of potential disruption to business capability to operate. Most company Boards now include cybersecurity as a risk to be managed on a company's enterprise risk register.

PanAust experienced a significant cyber incident in Q3 2022. This incident disrupted many key services such as corporate email and had the potential to cause greater disruption had relevant defensive actions not been taken. This event was a catalyst for PanAust to review its cybersecurity defences, with a greater focus and resources now being applied to reduce the risk of another event in the future.

⁴ Principle 15 of the Rio Declaration states that in cases of threats of serious or irreversible environmental damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent degradation.



Phu Bia Mining site doctor, Dr Phetdavanh Phythak and medical team members.

The IT team have created a program of work which will lift the overall cybersecurity posture of the organisation aligned with the cybersecurity framework recommended by the ACSC for organisations that operate critical infrastructure, including mining companies. This framework is called the Essential 8 and is a set of controls which will significantly improve PanAust's cyber defences.



THE OBJECTIVE OF THE PROGRAM IS TO UPLIFT THE COMPANY'S MATURITY LEVEL, TO LEVEL 2, USING THE ESSENTIAL 8 AS THE BENCHMARK. LEVEL 2 IS CONSIDERED APPROPRIATE FOR AN ORGANISATION THE SIZE AND COMPLEXITY OF PANAUST.

For certain high-risk activities, specialist governance structures are also implemented to mirror the ERM system model:

1. Operational sites are responsible for carrying out the day-to-day risk mitigation activities.
2. An internal specialist review committee is formed to provide support and oversight for the operational teams.
3. An external independent review committee is chartered to carry out reviews of the operational practices and report their findings to the PanAust Board via the management team.

These specialist governance structures are currently in place for tailings dam risk management and open-pit slope stability geotechnical risk management, and closure management.

PANAUST'S INTEGRATED MANAGEMENT SYSTEM STANDARDS

PanAust carries out its activities in a manner consistent with international leading practices and in compliance with:

- the Company's Sustainability Policy and 20 Integrated Management System Standards
- legal obligations (including environmental/social impact assessments for projects).

Requirements and obligations are applied through the Company's management systems. All PanAust employees and contractors are obliged to operate within these requirements.

In 2022 PanAust's 14 Sustainability Standards were comprehensively reviewed and updated to become 20 PanAust Group Integrated Management System Standards (PanAust IMS Standards) that apply to all business activities across the Group and have been designed to provide a risk-based management system against which each Operation's performance can be measured and continual improvement implemented.

The PanAust IMS Standards have been developed to support the Group achieve its Vision and Values as stated in the PanAust Way and to support the Sustainability Policy. The PanAust IMS Standards help to achieve this through:

- establishing minimum performance requirements for all PanAust entities, operations, sites and activities to carry out business in a sustainable manner
- establishing auditable criteria which can be measured
- providing a basis for continuous improvement.

Sustainability in the context of PanAust Integrated Management System Standards relates to adopting strategies and activities that meet the needs of the Company and its stakeholders today while protecting, sustaining, and enhancing human and natural resources that are needed for the future.

PanAust's operational performance is regularly assessed against PanAust IMS Standards and external commitments. The Company's Operations in Laos have well-developed, discipline-specific safety standards which are being progressively elevated to Group standards in support of other regions where PanAust has development projects and/or potential future Operations.

PANAUST INTEGRATED MANAGEMENT SYSTEM STANDARDS



LEADERSHIP AND PARTICIPATIONS

- **PanAust IMS 01**—Leadership and Commitment
- **PanAust IMS 02**—Organisation, Responsibility and Behaviour
- **PanAust IMS 03**—Stakeholder Engagement
- **PanAust IMS 04**—Communication, Consultation and Participation



SUPPORT AND OPERATION

- **PanAust IMS 09**—Resources, Competency and Training
- **PanAust IMS 10**—Safety Management
- **PanAust IMS 11**—Environmental Management
- **PanAust IMS 12**—Community, Social and Human Rights
- **PanAust IMS 13**—Procurement (Suppliers and Contractors)
- **PanAust IMS 14**—Management of Change
- **PanAust IMS 15**—Crisis and Emergency Preparedness
- **PanAust IMS 16**—Document Control and Records Management



PLANNING

- **PanAust IMS 05**—Planning, Objectives and Targets
- **PanAust IMS 06**—Risk and Opportunity
- **PanAust IMS 07**—Legal Requirements and other Commitments
- **PanAust IMS 08**—Standard Operating Procedures



PERFORMANCE EVALUATION

- **PanAust IMS 17**—Monitoring and Evaluation
- **PanAust IMS 18**—Internal Audit
- **PanAust IMS 19**—Incident Response and Actions
- **PanAust IMS 20**—Management Review



A blast hole drill rig at the Ban Houayxai Gold-Silver Operation.

AUDITING AND BENCHMARKING

PANAUST HAS ESTABLISHED A CORPORATE REVIEW AND AUDIT PROGRAM TO SUPPORT ITS ERM PROGRAMS. THE PROGRAM INCLUDES BOTH ONGOING INTERNAL REVIEWS AND ENGAGEMENT OF EXTERNAL AUDITORS FOR SPECIALIST TOPICS.

2022 SUSTAINABILITY AUDIT PLAN AND PROGRESS

External/internal audits	2022 performance	Next audit
Economic performance		
Group financial audit	Completed annually and disclosed in PanAust's Annual Report to ASIC.	2023
External insurance audit	Completed November 2022.	2023
Social performance		
Risk-based IMS Standards performance audit (replacing the IFC audit)	Not planned for 2022 but booked in for 2023.	2023
Socio-economic surveys	Lao socio-economic survey not planned for 2022, deferred due to extension of mine life.	2023
Community Development Fund (CDF) reviews	Household survey carried out in Oct-Nov 2022.	n/a
Environmental performance		
Acid rock drainage (ARD) external audit	Environmental Geochemistry International (EGI) carried out an onsite environmental geochemistry audit at the Phu Kham and Ban Houayxai Operations in July 2022.	2023
Cyanide Code Recertification	<p>In August/September 2022, a formal audit against the compliance requirements of the International Cyanide Management Code (ICMC) was completed at the Ban Houayxai Operations by WSP (Golder).</p> <p>The ICMI Certificate of compliance for the Ban Houayxai Operation was received in May 2023.</p> <p>In September 2022 an initial certification audit was carried out on the Phu Bia Mining Logistics operations.</p> <p>The ICMI Certificate of compliance for the Phu Bia Mining Logistics operations was received in March 2023. See Page 67.</p>	2026
Tailings Independent Review Panel (TIRP) and design engineer tailings storage facility construction inspections	<p>The TIRP carried out site visits at both the Phu Kham and Ban Houayxai Operations in May 2022 to review the performance of both tailings storage facilities (TSFs). The Panel confirmed good management practices for the construction, operation, monitoring and corporate governance of both facilities.</p> <p>The Engineer of Record also completed a physical site inspection in May 2022 to verify the construction and operational performance of both facilities.</p>	2023

External/internal audits	2022 performance	Next audit
Comprehensive dam safety review (CDSR)	<p>A CDSR was not completed in 2022 as it was not required. According to the Australian National Committee on Large Dams (ANCOLD) guidelines, a CDSR is due every 3-5 years or when a change of status of the TSF is proposed. The last CDSR was conducted in 2018.</p> <p>The Annual Dam Safety Review (ADSR) was completed in September 2022. This indicated the tailing storage facilities were operating in line with design intent.</p>	2023
Open-pit geotechnical review	Geotechnical Independent Review Panel (GIRP) site visits and reviews were completed for the Phu Kham and Ban Houayxai open pits in May 2022 Ongoing work has been undertaken to address the GIRP recommendations.	2023
Health, safety and security		
Technical safety audits for high-risk activities and/or hotspots	Annual third-party aviation audits were completed in-country for Laos and Papua New Guinea aviation service providers.	2023
Contractor safety management compliance reviews	<p>Nine contractor audits were completed for the Operations in Laos and Thailand.</p> <p>A combination of compliance reviews, risk register reviews and inspections were also completed.</p>	2023
Security setting and security management	Quarterly internal security audits conducted.	2023
Governance and risk management		
PanAust Integrated Management System (IMS) Standards	<p>PanAust Asia Safety Standards continued to be reviewed and updated throughout the year to become PanAust Group Level Safety Standards by subject matter experts.</p> <p>The PanAust Sustainability Standards were updated becoming PanAust Integrated Management System Standards during 2022.</p>	<p>2023</p> <p>Audit of compliance to Key PanAust Integrated Management System Standards and all PanAust Safety Standards planned.</p>

Targets	Results	Commentary 2022	2023 Target
Economic performance			
Achieve budget for production and costs	■	<p>Production was above budget for Phu Kham Operations but below budget for Ban Houayxai Operations.</p> <p>Costs were below budget for Phu Kham Operations and above budget for Ban Houayxai Operations.</p>	Achieve budget for production and costs.
Continue to advance the Frieda River Project permitting through proactive engagement with landowners, communities, provincial and national government stakeholders	■	<p>During 2022, the statutory, Conservation and Environment Protection Authority-led EIS awareness campaign was completed with all affected communities. This is a key step in the environmental permits approval process.</p> <p>The team also re-established contact with the Mineral Resources Authority Technical team after the Papua New Guinea election and will progress discussions on the Special Mining Lease application in 2023.</p> <p>The Frieda River Limited team met with several ministers and the new Prime Minister during 2022 to discuss the Frieda River Project and the pathway forward.</p> <p>The team also facilitated the East and West Sepik Provincial Governments meeting with the independent peer reviewers to brief them on findings.</p>	<p>Obtain the environmental permits through the active engagement of CEPA and the Environmental Council.</p> <p>Advance the Technical Assessment with the Mineral Resources Authority.</p> <p>Continue to implement proactive stakeholder engagement programs in accordance with PanAust's Stakeholder Engagement Plan and Sustainability Policy.</p>
Complete pre-feasibility studies at the Ban Houayxai Extension satellite deposit	■	Completed scoping studies. Increased confidence in resource to enable decision making.	Complete infill and extensional drilling to inform feasibility study by mid-June.
Discover more potential ore		Drilling initiated and ongoing. Identified and delineated high grade copper gold zones.	Complete Nam San extensional drilling to inform further underground development studies.
Complete deep drilling program at Nam San and upgrade existing resource to inform further life of mine studies			
Recommence regional exploration in Myanmar should the political situation allow	■	Access to areas remains closed due to ongoing conflict.	Continue applications for suspension of permit obligations until the situation improves enough to permit responsible exploration. Maintain tenements in good standing.
Complete scoping level studies at Nam Ve silver and gold satellite prospects and identify further satellite mineralisation to increase life of mine for the Ban Houayxai Operation	■	Drilling programs executed. No scoping studies due to focus on other development priorities. Ongoing issues with third party encroachers limiting exploration footprint.	Complete scoping level studies at Nam Ve silver and gold satellite prospects. Define copper targets within the MEPA to increase life of mine for the Phu Kham Operation.

Targets	Results	Commentary 2022	2023 Target
Identify and evaluate gold base metal opportunities for Saisana Lao Resources and initiate exploration programs once tenure is granted	■	Opportunities progressed at copper targets. Awaiting establishment of Saisana and joint venture agreements to be finalised to progress projects.	Identify and evaluate gold base metal opportunities for Saisana Lao Resources including initiation of exploration programs on joint ventures and acquisitions.
Governance			
Governance practices to be progressed including training in The PanAust Way and the publication of the annual Modern Slavery Report	■	Company-wide training in The PanAust Way did not progress during 2022. Instead, after a governance review, training on anti-bribery and corruption, donations, and modern slavery is recommended. The Modern Slavery Report was published in June 2022.	Update policies and procedures on anti-bribery and corruption, modern slavery, and donations. Implement training on updated policies and procedures. Complete update of procurement procedures to identify modern slavery and sanctions risks.
Prepare and publish an externally assured 2021 Sustainability Report to the GRI Standards	■	2021 Sustainability report published.	Prepare and publish an externally assured 2022 Sustainability Report to the GRI standards.
Social performance			
Complete the remaining community development fund projects	■	10 of the 12 outstanding CDF projects delayed due to Covid restrictions have recommenced.	Complete all outstanding projects and implement additional projects for 2023. Complete socio-economic household survey for near mine communities. Advance Sustainable Livelihoods Program focussing on agricultural development.
Establish a new CDF memorandum of understanding with the local government in Xaisomboun Province	■	Revised CDF memorandum drafted, however awaiting finalisation of the MEPA 4 Amendment and further engagement with the Xaisomboun Provincial Government.	Establish the new CDF memorandum.
Continue with positive engagement practices in countries where PanAust has a presence	■	Strong government and community relationships maintained in Laos, Thailand, Vietnam, and Papua New Guinea.	Continue positive engagement practices, and elevate media and public relations activities.
Environmental performance			
No level 3 environmental incidents	■	No level 3 environmental incidents were recorded during 2022.	No level 3 environmental incidents.
Continued identification and implementation of energy efficiency projects	■	One efficiency project, aiming to reduce diesel consumption by personnel transport boats, was implemented in 2022. Overall, the project was successful. However, it only reduced PanAust's total diesel consumption by less than 1 percent.	Review and update PanAust Sustainability Policy with the view to include a commitment on emissions, energy, and decarbonisation.

Targets	Results	Commentary 2022	2023 Target
<p>Advance discipline-specific studies for the Closure Feasibility Study</p> <p>Develop final landform designs for completed waste rock dumps</p> <p>Improve integration of closure planning to mine planning</p>	■	<p>Appointment of a Principal Project Engineer for Closure has provided the catalyst for advancing studies related to mine closure. Water quality, geochemistry, BHX WRD cover system, BHX WRD closure landforms, PKM WRD closure landforms, and surface water management studies all advanced in 2022.</p> <p>Final landform designs developed for several WRDs at BHX and PKM.</p> <p>Mine planning of WRDs integrates closure landforms and surface water management consideration in the operational design, minimising required earthworks at end of the life of mine.</p>	<p>Complete Final Mine Closure Plan for the PKM Operation.</p> <p>Advance discipline-specific studies for the Closure Feasibility Study.</p>

Health and safety performance

Zero fatalities on controlled work sites	■	PanAust achieved zero fatalities across its worksites.	Zero fatalities on controlled worksites.
TRIFR of ≤0.81	■	Achieved a TRIFR of 0.89 at the end of 2022 from 13 recordable injuries.	TRIFR of ≤ 1.30.
Crisis management training simulation for PanAust and process review	■	While crisis management training was not carried out at the corporate level, training was carried out at the asset level with a mass casualty exercise held during the year.	Carry out a process review of the PanAust Crisis Management Team plan.
Implement verification activities for critical controls	■	Critical Control Verification (CCV) program developed and rolled out in 2022.	Embed the CCV program further across the company.

Our people

<p>Maintain Lao localisation at 92 per cent.</p> <p>Continue to improve Lao-nationals' development to enable promotion into roles previously filled by expatriates</p>	■	Lao localisation maintained at 92 per cent.	Maintain Lao localisation at 92 per cent.
Continue to develop technical trades training capability in Laos	■	There were no graduates in 2022 due to delays to the apprenticeship program from COVID-19. The current group of trainees will graduate in 2023.	Graduate the current students and recruit students for the 2024/2026 program.



Students attending classes at the Ban Nasaysavang Secondary School near the Ban Houayxai Gold-Silver Operation.

SOCIAL PERFORMANCE

PANAUST PARTNERS AND COLLABORATES WITH STAKEHOLDERS, INCLUDING HOST COMMUNITIES, GOVERNMENTS, AND EMPLOYEES, TO CREATE POSITIVE OUTCOMES FOR THE COMMUNITIES AND COUNTRIES IN WHICH IT OPERATES.

The Company's approach to community development is underpinned by its commitment to meeting the global demand for resources in a socially responsible way, ensuring respectful and ongoing dialogue with stakeholders, and recognising and respecting traditional rights, values, and cultural heritage.

Host communities and countries obtain enduring benefits from PanAust's Operations through taxes and royalties, employment of local people, locally sourcing of goods and services, contributions to community infrastructure, training, as well as capacity-building, and long-term economic and social development projects.

Social development projects enable host communities to build long-term capacity and empower them to determine their own development priorities. The Company's community development plans (plans) consider host communities' needs, host countries' development plans, and the United Nations (UN) Sustainable Development Goals. The plans are developed in consultation with government authorities and community representatives and are supported by the information obtained from socio-economic surveys. This approach ensures that the development projects meet the needs of the communities while aligning with government plans and/or aid agencies working in the region.



PANAUST IDENTIFIES THE NEEDS, ISSUES, AND STANDARDS OF LIVING IN HOST COMMUNITIES THROUGH STAKEHOLDER ENGAGEMENT ACTIVITIES AND SOCIAL IMPACT ASSESSMENTS, INCLUDING PERIODIC UPDATES VIA SOCIO-ECONOMIC SURVEYS.

This enables the Company to gain a deeper understanding of the diversity and priorities of stakeholders, indigenous and vulnerable peoples, and assess risks and opportunities.

PanAust's management systems and supporting processes provide the guidelines, tools, and mechanisms to address social and environmental impacts while progressing opportunities. The systems are aligned with International Finance Corporation (IFC) Performance Standards.

PanAust has mechanisms built into its business practices to monitor and evaluate its engagement and development activities. Communities can discuss concerns with PanAust's Community Relations Teams, or lodge concerns through a complaint, grievance, or request mechanism. Where PanAust's activities unavoidably impact livelihoods, compensation and mitigation schemes are activated.

PanAust's materiality process identified the following social performance focus areas for 2022 as:

- social licence to operate and stakeholder engagement
- economic value generated
- community development
- closure preparedness at Phu Kham
- artisanal and small-scale mining.



Community Development Health Officer Pankham Inthavong weighing produce with a local farmer in the GMO valley.

SOCIAL LICENCE TO OPERATE AND STAKEHOLDER ENGAGEMENT

PANAUST SEEKS TO BUILD COLLABORATIVE AND TRANSPARENT RELATIONSHIPS WITH ITS STAKEHOLDERS. ONGOING AND OPEN DIALOGUE THROUGH INFORMED CONSULTATION AND PARTICIPATION WITH GOVERNMENTS AND HOST COMMUNITIES CLOSE TO ITS OPERATIONS AND PROJECTS ENABLES PANAUST TO UNDERSTAND AND ADDRESS ISSUES AND IDENTIFY OPPORTUNITIES FOR THOSE DIRECTLY AND INDIRECTLY AFFECTED BY ITS BUSINESS ACTIVITIES.

PanAust's engagement processes enable community participation and respect for traditional methods of decision-making. PanAust aims to achieve free, prior, and informed consent (FPIC) of affected communities in accordance with IFC Performance Standard 7: Indigenous Peoples. PanAust recognises that this intent does not contradict the right of sovereign governments to make decisions on resource exploitation. PanAust's position is consistent with the International Council on Mining and Metals (ICMM) Indigenous Peoples and Mining: Position Statement.

At PanAust's Phu Kham and Ban Houayxai Operations and the Frieda River Project, the Company has in place stakeholder engagement plans that identify the interests and relationships of stakeholders. These plans contain a range of culturally and socially inclusive engagement activities which are designed in collaboration with stakeholders and consider the needs of vulnerable groups.

During 2022, PanAust's stakeholder engagement activities included:

- Regular meetings with host communities, their nominated representatives (including representation by women) and other special interest groups.
- Meetings with relevant government departments and officials.
- Community development programs; community members, local and district-level authorities are engaged in all stages of the planning, approval, and delivery of community development activities.
- Community awareness campaigns: awareness campaigns in villages near Operations and Projects provide an effective avenue for engagement with government agencies and other stakeholders to reach a large audience on key issues. In Papua New Guinea, this included a hinterland awareness campaign in the Telefomin District adjoining the Frieda River Project.
- An EIS Roadshow along the Sepik River as part of the consultation process for the Environmental Permit. This was coordinated and run in conjunction with Papua New Guinea's Conservation and Environment Protection Authority.

- Frieda River Limited continued to engage with stakeholders on community health awareness programs in line with the Integrated Health Patrol, as part of the greater community development support programs.
- PanAust's sustainability performance is comprehensively reported via its annual Business Review and Sustainability Report. Historically, an abridged version focused on Phu Bia Mining's activities, has been provided in English and Lao to key stakeholders in Laos. In addition, reporting to the Government of Laos and Papua New Guinea occurs regularly.

Engagement campaigns undertaken in Laos included:

- **February:** Cyanide awareness training was conducted in Ban Nasaysavang, Ban Nalao, Ban Ngiew, Ban Phonkeo, and Ban Phonsavang.
- **March:** COVID-19 safety protocols awareness was conducted, and a meeting held with the local vegetable growing group at Ban Nasaysavang.
- **April:** The PBM Community team assisted police to set up road safety signs in Ban Nam Gnone and Ban Nam Mo.
- **June:** The PBM Community team attended the dissemination meeting on animal management in Ban Nam Mo and Ban Nam Gnone, which was organised by the Animal Management Committee of the Anouvong District. Malaria awareness training was also conducted at Ban Nam Mo and Ban Nam Gnone.
- **July:** Awareness training was provided on PKM's Safety Operations in Nam Mo village. Additionally, "No Entry" awareness sessions regarding landslides were held in Nam Mo, Nam Gnone, and Nasaysavang villages. And an awareness session on malaria and dengue fever was held in the Nasaysavang village.
- **September:** A road safety awareness program on driving safely was held in Ban Nam Mo and Ban Nam Gnone.

In Papua New Guinea, where the lack of mobile telephone coverage in and around the Frieda River Project presents communication challenges, the Company continued its use of very high frequency radio communications to engage with, and provide services to, the community. This included weekly scheduled communications that cover a range of matters, from medical consultations to project consultations, status updates and grievances and facilitating communications between villages. With travel restrictions easing in late 2021, the Company continued helicopter transportation in 2022, to facilitate direct engagement with its local communities.

A series of fact sheets presented in both English and Tok Pisin were developed for all communities in the Frieda River Project area as part of the project's ongoing engagement and consultation activities. The fact sheets explain how PanAust is meeting its environmental obligations, how it is investing in community development, how it supports the local community, and how it is meeting its sustainability obligations. The fact sheets also provide high level information about the copper-gold project, hydroelectric project, the Sepik Infrastructure Project and the Sepik Power Grid Project.



ALL FACT SHEETS ARE FREELY AVAILABLE ON THE FRIEDA RIVER WEBSITE AND HAVE BEEN UTILISED EXTENSIVELY BY COMMUNITY RELATIONS TEAM MEMBERS WHO DISTRIBUTE THEM WHEN THEY CARRY OUT THEIR COMMUNITY ENGAGEMENT ACTIVITIES.



Frieda River Project Community Affairs Coordinator Sheila Akuila speaking to a primary school teacher at Paupe village Primary School

GOVERNMENT ENGAGEMENT

The Government of Laos is one of PanAust's principal stakeholders. A framework of regular scheduled and ad-hoc meetings with central, provincial, and district government-level officials provides important opportunities for dialogue. PanAust's dedicated government relations team provides monthly and annual reports covering Company activities to the Government of Laos. A digital portal has been established to facilitate the timely sharing of Company information and ensure various Government stakeholders can access the information they require. Representatives from key government ministries are represented at both Phu Kham and Ban Houayxai Operations to ensure transparency, mutual understanding, and close and productive relationships at the operational level. In addition, PanAust regularly engages senior Government of Laos representatives through meetings in Vientiane and site visits to its mines.

In Papua New Guinea, a Joint Provincial Consultative Committee (JPCC) supports provincial-level engagement. The JPCC meets quarterly and comprises officials from the West and East Sepik Provinces, relevant district officials and national Government agencies, including the Mineral Resources Authority (MRA) and the Papua New Guinea Environment Conservation Protection Authority (CEPA).

Following the easing of COVID-19 restrictions, Frieda River Limited (FRL) has held two JPCC engagements. The JPCC met in 2022 to discuss how the EIS permitting process can be advanced. A resolution arising from the JPCC was the support the provincial governments gave CEPA to complete the statutory EIS consultation along the Sepik River. This statutory process concluded in October 2022 with recommendations presented to the Papua New Guinea Environmental Council.

Senior FRL officials met the newly appointed Papua New Guinea Mining Minister twice in 2022 and provided him with updates on all aspects relating to project permitting.

PANAUST'S STAKEHOLDERS AND INTERESTED PARTIES

The Company takes a diverse range of external and internal stakeholder interests and concerns into consideration during its business activities. Stakeholders are identified based on the potential impacts of the Company's activities on both them and the Company.

Stakeholder priority and importance differs across the material issues for each stakeholder group.

Engagement mechanisms are designed to provide stakeholders and other interested parties with an awareness of the Company's economic, governance and social performance, and understand stakeholder issues and concerns.

The following table outlines key stakeholder groups and engagement mechanisms and priorities in 2022.

STAKEHOLDERS AND INTERESTED PARTIES, MECHANISMS AND PRIORITIES

Stakeholder group	Engagement mechanisms	Engagement priorities
Primary stakeholders		
PanAust workforce—all employees and contractors across Laos, Papua New Guinea, Thailand, Vietnam, Myanmar, and Australia	<ul style="list-style-type: none"> Forums include group/team meetings (daily, weekly and/or monthly), workplace representatives committee, employee briefings, and toolbox talks Communications channels include onsite posters, group-wide employee newsletter, PanAust website, and intranet HR programs target competency development, trades training (apprenticeships), leadership development, Lao localisation A Fair Treatment process for employment-related concerns not addressed via other PanAust processes External remuneration benchmarking Employee engagement survey and resulting action plans to address key identified issues Employee Awards Program 	<ul style="list-style-type: none"> Health, safety, and wellbeing Employment terms and conditions (including remuneration) Continuity of employment Development and training Engagement Environmental management
Landowners and host communities	<ul style="list-style-type: none"> Issues-based and community development engagements—consultation and collaboration mechanisms include routine meetings, frequent informal interaction, stakeholder surveys, workshops for community development planning and project implementation, and site tours Formal grievance management process PanAust participation in key community cultural events and festivals 	<ul style="list-style-type: none"> Environment and social impacts and land access associated with project development and Operations, community participation, and consultation in impact management Community health, safety, and wellbeing Community development (local capacity-building through training and education, local employment, and business opportunities, enhancing public health, poverty reduction, access to clean water, food security, and infrastructure development) Access to benefits including local employment, opportunities for partnerships, business development, donations, training, and education Grievance management and compensation Closure planning (Laos)
Guangdong Rising Holding Group Co. Ltd (GRHG), parent company and the Board of Directors	<ul style="list-style-type: none"> Board meetings Shareholder meetings, functions, visits, and presentations Public reporting (e.g. annual business review and sustainability report) and internal management reporting Communications including correspondence, company announcements, media reports, website, and corporate videos 	<ul style="list-style-type: none"> Sustainable long-term and consistent shareholder value and financial returns Continuous improvement, sound risk management, and operating discipline Good Environmental, Social and Governance (ESG) performance against benchmarks, and relationships with stakeholders impacted by PanAust's Operations Executive remuneration

Stakeholder group	Engagement mechanisms	Engagement priorities
Joint venture (JV) and/or equity partnerships	<ul style="list-style-type: none"> Forums are dependent upon the structure e.g. management committee meetings of the joint venture; Board and shareholder meetings; technical meetings Reporting on matters relevant to the JV or partnership Ad hoc issues are addressed through tailored responses (including where necessary action plans or site visits) 	<ul style="list-style-type: none"> Sustainable performance including in financial management and returns, project development, operating discipline, safety, risk management and compliance ESG performance and stakeholder relationships. Benefits for host communities and their culture Disclosure for JV partners including process on permitting status EIS, SML, feasibility studies and associated approval hearings
PanAust Senior Management	<ul style="list-style-type: none"> Strategic direction and feedback from Board and Board Committees (including the Sustainability Committee) on business performance Access to regular management reports and relevant Board papers, presentations (including by industry experts), interactions with employees and other stakeholders, and site visits 	<ul style="list-style-type: none"> Sustainable growth in shareholder value and financial returns Continuous improvement and operating discipline ESG performance and risk management
Governments	<p>Consultation and collaboration in project planning and in relation to Operations, including via:</p> <ul style="list-style-type: none"> Communications through the Government Relations team Scheduled and ad-hoc meetings and agreements with local, provincial, and central/national government representatives and officials Site visits for government officials Tailored responses to queries and publications—proactive approach, including FAQ Online portal for the Government of Laos Ad-hoc ministerial and department-level meetings with the PanAust Senior Management team Frieda River Project update to the Papua New Guinea MRA and CEPA Joint initiatives with government for community development Provision of regulatory information and participation in compliance assessments 	<ul style="list-style-type: none"> Compliance with national, regional, or local legislative and regulatory and policy frameworks including permitting and impact assessments and exploration licensing Economic contributions, including local employment, business opportunities and workforce localisation Progression of project approvals Community development Closure planning (Laos)
Customers	<ul style="list-style-type: none"> Technical support for product quality, use, handling, safety and benchmarking Regular customer communications including updates and virtual meetings, site visits Tailored responses to queries 	<ul style="list-style-type: none"> Product stewardship, cost, and reliability of supply, quality, and delivery Safety and ESG performance, including materials and resource efficiency; waste and lifecycle management

Stakeholder group	Engagement mechanisms	Engagement priorities
Contractors and suppliers	<ul style="list-style-type: none"> Requests for proposals (RFPs) and tendering; contracts Major supplier pre-qualification process Regular performance review meetings covering specific performance metrics and monthly performance reports Price adjustment mechanisms undertaken quarterly, six monthly and annually Commodity price forecasting value add by suppliers with access to price indices Inductions and quarterly contractor safety workshops Risk management processes for one-off projects and where incidents occur Participation in community workshops by site-based contractors Tailored meetings 	<ul style="list-style-type: none"> Terms and conditions of supply agreements Reliable payment Access to business opportunities; product and pricing information Product stewardship Health and safety and ESG performance including safety workplace inspections, Job Safety Observations (JSOs), hazard identification, inspections, audits and reviews Expectations of contractor performance including training, compliance to the PanAust Contractor Health Safety and Environmental (HSE) Management Standard
Interested parties		
Industry peers and associations	<ul style="list-style-type: none"> Participation in industry joint initiatives, committees, conferences, and market surveys Presentations and correspondence Benchmarking visits to peer Operations and hosting site visits Memberships including the Australia-New Zealand Business Association in Laos, the PNG Chamber of Mines and Petroleum, the Australia PNG Business Council, International Copper Association Australia and The Minerals Council of Australia Tailored responses to specific queries 	<ul style="list-style-type: none"> Education and knowledge transfer. Health and safety and ESG performance and stakeholder relationships Leading practice, industry alignment and benchmarking including in technology and employee, safety, and sustainability practices
Media	<ul style="list-style-type: none"> Interviews and briefings Corporate announcements and media releases Tailored responses to media enquiries Hosted site visits Correction of material factual errors when identified in online or print media 	<ul style="list-style-type: none"> Public interest in project development and operational status Economic, health and safety and ESG performance and risk management Community contributions, development, and support
Non-government organisations (NGOs)	<ul style="list-style-type: none"> Provision of Company information to inform NGO reports Participation in NGO at related events, conferences, and other forums; feedback surveys Local and Group level engagements with NGOs Attendance and/or presentation at NGO conferences Tailored responses to specific queries 	<ul style="list-style-type: none"> ESG performance and risk management Socio-economic contributions
Capital market participants (including investment banks, debt, equity, and independent analysts)	<ul style="list-style-type: none"> Meetings and industry forums, including ESG conferences Market announcements and investor briefings Participation in surveys Tailored responses to queries 	<ul style="list-style-type: none"> Sustainable long-term and consistent shareholder value and financial returns Continuous improvement, sound risk management and operating discipline Good ESG performance against benchmarks, and relationships with stakeholders impacted by PanAust's Operations Executive remuneration

COMMUNITY RELATIONS

PanAust provides opportunities for men, women, youth, and vulnerable groups to participate in consultation, community development, and decision-making processes.

Community Relations teams include members from local ethnic groups who are close to PanAust's activities, enabling culturally effective communication between the Company and community members.

In Laos, communications with the community including local village Naibans (village leader) and local authorities occur regularly via in-person meetings, phone and digital platforms to ensure that community stakeholders are consulted and participate in decision-making processes relevant to them. The frequency of meetings returned to normal in 2022, with the lifting of COVID-19 restrictions at the beginning of the year.

The Company conducts periodic socio-economic surveys to support community engagement activities and to better understand issues and changes in community living standards. The various surveys provide an important mechanism to build an understanding of the needs and expectations of host communities. They inform priorities and initiatives and provide feedback on community engagement effectiveness by assessing the extent stakeholders believe their concerns are being effectively addressed. A household socio-economic survey was carried out in October-November 2022.

The survey was conducted on the three nearby communities of Ban Nam Mo, Ban Nam Gnone, and Ban Nasaysavang. Some of the key points obtained from the 2022 survey are described as follows:

- The combined estimated population of the three villages is 5,778, an increase of 4.5 per cent since the 2015 survey.
- The education infrastructure observed has improved since the 2015 survey, however, despite 84 per cent of children (aged 6-17) enrolled in school, it is a slight decrease (3.5 per cent) in enrolment since 2015.
- The literacy rates for those aged 15-45 is 90 per cent, an increase of 1 per cent since 2015, and 3.07 per cent higher than the national literacy rate.
- Although there are signs of improvement in the health sector in 2022, further support is needed. All three villages have access to district and provincial hospitals, with a 30-bed increase from 2015 (70 to 100 beds), and an increase in available beds in healthcare centres. The survey identified that 86.9 per cent of pregnant women now received prenatal care, and majority (80.2 per cent) of women now prefer to deliver their babies in a hospital; with home births decreasing from 58.3 per cent in 2015 to 19.9 per cent in 2022.
- Despite a general improvement in community infrastructure (additional school buildings, village temple and cemetery, garbage collection and electricity), both Nsaysavang and Nam Gnone pointed out that road conditions for their villages had declined.

- The 2022 survey indicates that agriculture continues to be the primary occupation in all communities, followed by working as Phu Bia Mining employees. In general, all villages with mining employment have substantial revenue from Phu Bia Mining, for example, even though only 15.7 per cent of Nam Gnone are mine workers, the revenue from Phu Bia Mining jobs and other wages makes up 50 per cent of the village's overall income.
- In conclusion, the survey identified that most of the locals in the project area are quite supportive of the PBM Operations. 87.6 per cent of the total surveyed households thought that things had improved since PBM began operating in the area.

In PNG, PanAust has convened a Community Leaders Forum (CLF) with representatives from the seven host villages and two district administrations from the Telefomin and Ambunti districts. The CLF is a pre-development forum that allows the Company to inform and consult with key stakeholders in the lead up to the final permitting of the Frieda River Project and is pivotal to achieving FPIC in the PNG context.

PanAust has hosted CLF meetings since 2014, when it acquired its majority shareholding in the Frieda River Project. In 2022, the CLF continued to be held using the hybrid method of in-person and video-conferencing facilities where Frieda River Limited consultants cannot travel to the Frieda River site in person. The CLF have also returned to quarterly meetings, although one was paused due to the National General Election. These meetings focused on several matters including:

- Updating the CLF on the status of the Company's mining permit application and the independent peer review of its application status.
- Seeking the CLF's support for the renewal of the Exploration Lease (EL) tenements.
- Progressing the community development programs safely.

The CLF is a crucial stakeholder mechanism for meaningful engagement with host communities to manage and retain the social license to operate.



A community health worker at the Ban Nam Mo health centre, providing health check services to the local villagers.



The Frieda River Project airstrip along the Frieda River on the border of the West Sepik and East Sepik provinces.

GRIEVANCE MANAGEMENT

PanAust has in place a Grievance Management Procedure at its Laos Operations, which is also utilised in Myanmar, and a similar procedure specific to the Frieda River Project. These grievance procedures are designed to meet the intent of Principle 31 of the United Nations Guiding Principles on Business and Human Rights.

The grievance procedures are:

- legitimate, predictable, equitable and transparent
- culturally appropriate and based on dialogue and engagement
- accessible
- rights-focused
- accountable (with monitoring and evaluation, disclosure, and annual reporting).

The Company's Grievance Management Procedure provides for escalation and arbitration if required. Depending on the nature and severity of the concern raised, it may require further investigation or referral to an independent party.

In Laos, PanAust's electronic reporting and corrective action event management system, INX's InControl, captures engagement activities, feedback, complaints, grievances, and commitments. Borealis software is used to capture this information for the Frieda River Project and exploration tenements in Myanmar. The data captured by these systems is used to monitor and identify trends and reporting.

In 2022, two grievances were raised in Laos. One grievance related to noise from work on the waste rock dump keeping local Nam Gnone villagers awake at night. PanAust did not undertake noise monitoring as the work got closer to the local community. The site ceased the night shift as soon as these noise complaints were made. The other grievance related to the widening of a road for exploration activity. When the rain came, the road was damaged and local community members could not reach their properties, subsequently complaining to PanAust to make the necessary repairs to the road.

At the Frieda River Project, there were two grievances recorded in 2022. Both grievances related to Frieda River Limited making commitments and not following through due to poor communication. One related to support for a local sports event, the other to the movement of a coffin not deemed possible by the helicopter pilot at the last minute. In both cases, Frieda River Limited has apologised and proactively established a better approach for future such requests, satisfying the complainants. The Grievance raised with the AusNCP at the end of 2021 relating to the alleged breaches of the Disclosure, Human Rights and Environment standards of the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises was responded to during 2022 with the Company firmly denying any such breach. See page 27 for further details.

With the cessation of activities in Myanmar in February 2021 due to the growing unrest in the country, no grievances were raised in 2022.

The Company had zero disputes relating to Indigenous people and customary rights during 2022.

RESETTLEMENT, LIVELIHOOD RESTORATION AND COMPENSATION

Zero involuntary resettlement took place across PanAust's Operations in 2022. The Company seeks to minimise involuntary physical relocation and to minimise the negative impacts of economic displacement related to business activities.



PROTOCOLS AND PROCEDURES THAT THE COMPANY HAS IN PLACE TO ACHIEVE THIS GOAL INCLUDE PLANNING, PARTICIPATIVE LAND ACCESS AND ACQUISITION PRACTICES, TRANSPARENT COMPENSATION, AND LIVELIHOOD RESTORATION APPROACHES.

If resettlement is required, the Company is committed to implementing programs in accordance with IFC Performance Standards 5 and 7: Land Acquisition and Involuntary Resettlement, and Indigenous Peoples. This includes ensuring that resettled people and communities have their livelihoods and standard of living restored or improved after resettlement.

The Company's compensation process in Laos aims to ensure that those affected by PanAust's Operations are compensated fairly for the loss of assets and/or livelihoods. The Company does this by maintaining, at a minimum, pre-impact standards of living, housing and livelihoods and identifying opportunities for participation and other benefits. Physical and economic displacement is managed using the Company's Compensation Standard, Grievance Management Procedure and the Stakeholder Engagement Plans for each operation. The Compensation Standard aligns with Lao regulations and international standards, such as those outlined by the IFC and ICMM.

The requirements for compensation become more prescriptive as the degree of impact increases. When significant impacts occur at the household level (that is, more than 20 per cent of household livelihood is affected), Lao regulations require livelihood restoration rather than cash compensation.

Compensation is paid in a transparent manner at an agreed and documented schedule of rates via the grievance management process.

Compensation rates in Laos are calculated based on market price surveys, provincial agreements and in consultation and/or with approval from local government and community leaders.

In Papua New Guinea, compensation is paid according to the interim compensation agreement that is based on compensation rates set by the Government of Papua New Guinea's Valuer General and are adjusted for inflation. If the Company believes the Government set compensation rate is too low, compensation is adjusted accordingly to be more equitable.

During 2022 in Papua New Guinea, two resettlement planning committee meetings were held between Frieda River Limited and the representatives of community members within the Project footprint that may require resettlement under the current Project design. One meeting regarding resettlement was also held with the Sandaun Provincial Government. There meetings were held to keep both the community and provincial government stakeholders informed of the steps in the resettlement process that will need to be carried out once the Project permits are approved. These meetings with stakeholders relating to potential resettlement are held regularly to ensure that all stakeholders are kept informed of the current activities and proposals, as well as to allow the Frieda River Limited community affairs team to understand any objections to the current resettlement strategy and incorporate any required changes into the resettlement action plan.

In 2022, US\$155,954.32 was paid in compensation for economic livelihood impacts in Laos. In Papua New Guinea, there were no requests for compensation due to mine impacts.



River crossing in the host community, Ban Nam Mo village, east of the Phu Kham Copper-Gold Operation.

ECONOMIC VALUE GENERATED

PANAUST RECOGNISES IT HAS A RESPONSIBILITY TO MAKE A POSITIVE SOCIAL AND ECONOMIC CONTRIBUTION TO THE COMMUNITIES, REGIONS, AND COUNTRIES IN WHICH IT OPERATES.

The Company's philosophy is that wherever it operates, it collaborates with local authorities and communities to improve the socio-economic livelihood and make sustainable contributions to the region.

PanAust contributes to the Lao economy in many ways, including through:

- revenues from copper, gold and silver including payment of royalties
- profit tax and other payments including tenement rental fees to the Government of Laos
- salaries paid to employees and salary taxes to provincial governments
- local procurement of goods and services from contractors and businesses
- training and skills development of host communities through capacity-building programs
- capital expenditure in exploration, project development and project operating costs, particularly through payments to Lao suppliers of goods and services
- investments in community development programs through community development funds
- payment of dividends to the Government of Laos as a 10 per cent shareholder in Phu Bia Mining
- investment in regional infrastructure including roads, water access and treatment and sanitation
- sponsorships and donations.

Where appropriate, PanAust engages local companies (Lao and international companies based in Laos) to procure goods and services for PanAust's Lao-based activities. In doing so, the Company takes into consideration commercial competitiveness, risk profile, and contractor capacity to ensure goods and services are provided in a safe and responsible manner. Support is also provided to local companies where required to ensure health and safety standards are met.

To date, PanAust has invested approximately US\$1.73bn in Laos. Since 2006, PanAust has invested nearly US\$110m in Lao public road infrastructure. Improvements and maintenance of sections of the Phu Kham and Ban Houayxai transport and haulage routes have benefitted 12 villages with a combined population of more than 16,000 people, by providing faster access to markets and public services including hospitals and schools.

Total Phu Bia Mining activity, considering investments and in-country operating expenditure, accounted for over 2.7 per cent of Laos' real gross domestic product which, was US\$12.8bn in 2022⁵. This investment does not consider the indirect impacts of the Company's presence, for which a widely accepted and typical multiplier effect of the positive impacts mining projects have in developing countries (such as Laos) exists⁶.

During 2022, PanAust's other economic contributions to Laos included:

- the payment of US\$175m to Lao suppliers of goods and services; over 52 per cent of external expenditure on goods and services was to companies in Laos and the Government of Laos.
- contribution of approximately US\$72.2m to the Government of Laos through the payment of taxes, royalties, and excise duties.
- contribution to capacity-building programs and activities at district, provincial and central government levels.
- employment of 3,788 people in Laos during 2022. By year end, 92.7 per cent were Lao-national employees, of whom 19 per cent are from local villages adjacent to or near PanAust's Operations.
- administering a sponsorships and donations program in Laos (in addition to the community development program), providing support of over US\$212,000 in 2022 to a wide range of recipients through cash and in-kind donations.
- Phu Bia Mining revenues of US\$523m (excluding derivatives gains of US\$12.5m) for the sale (and export) of copper, gold, and silver in 2022 represents 6.7 per cent of total Lao goods exports (estimated by Laos Government as US\$7,695m).

5 The Company uses the Bank of Laos' annual report for the GDP figure and converts it from Lao Kip into US dollars using the average exchange rate over the 2022 calendar year.

6 Sources: ICMM publication, The role of mining in national economies (Romine) (sixth edition), 2022; Mineral Economics Journal, The local employment impacts of mining: an econometric analysis of job multipliers in northern Sweden, 2017; World Bank and IFC publication, Large mines and communities: forging partnerships, building sustainability, 2012.

2022 TOTAL PAYMENTS IN LAOS, MYANMAR, AND THAILAND:

- direct production costs US\$239.76m (53.6%)
- transport and selling costs US\$9.36m (2.1%)
- salaries and wages (incl. taxes) US\$57.51m (12.9%)
- royalties US\$29.33m (6.6%)
- exploration costs US\$14.66m (3.3%)
- equipment and other assets US\$92.07m (20.6%)
- interest and other finance costs US\$4.25m (1.0%).

2022 PAYMENTS FOR GOODS AND SERVICES IN LAOS, MYANMAR, AND THAILAND:

- Lao companies US\$22.85m (6.9%)
- Lao-based international companies US\$120.00m (36.0%)
- Lao Government and semi-Government US\$32.58m (9.8%)
- Thai companies US\$83.19m (25.0%)
- international companies US\$74.72m (22.4%).

2022 TOTAL PAYMENTS IN LAOS, (US\$ MILLION):

Description	US\$ million		
	2020	2021	2022
Payroll tax	4.03	4.21	4.28
Customs excise (import service fee)	1.48	1.09	2.11
Road tax	3.61	2.93	2.57
Profit tax (income tax)	11.54	19.56	28.70
Royalties	32.64	33.02	25.81
Concession fees	0.06	0.06	0.06
Dividend	1.70	0.00	8.70
Total contribution	55.07	60.87	72.22
Copper price (including price adjustment and hedging) (US\$/lb)	2.81	3.85	4.02

2022 TOTAL PAYMENTS BY PANAUST (US\$ MILLION):

Region	Operating costs by region	Employee wages and benefits by region	Payments to providers of capital by region	Payments to government by region
Laos	264.88	57.93	0.79	72.22
Thailand	0.64	0.45	0.01	0.02
Vietnam	1.03	0.04	0.00	0.01
Chile	0.56	0.00	0.00	0.00
Myanmar	0.79	0.10	0.01	0.27
Papua New Guinea	4.83	0.81	0.00	0.19
Australia	5.55	9.02	0.08	0.59
Total	278.27	68.35	0.88	73.29
Group revenue**	545.39			
Group economic value retained***	124.59			

** Sales revenue, derivative gains/losses, interest income and other income.

*** Group economic value retained is calculated by Group revenue less Group operating costs, employee wages, payments to providers of capital and payments to governments.

COMMUNITY DEVELOPMENT

PanAust's community development programs aim to make meaningful contributions to long-term community capacity building, empowering people to determine and progress their own development priorities now and beyond the life of the Company's Operations. All operational and active development projects support community development programs in line with good international practice.

As part of its broader sustainability commitments, PanAust continues to assess other socially responsible projects that fit within its host community development priorities of capacity building and promoting economic independence.

PANAUST TOTAL COMMUNITY DEVELOPMENT CONTRIBUTIONS (US\$ MILLION)

	2020	2021	2022
Community development in Laos	0.24	0.36	0.14
Community development in Papua New Guinea	0.07	0.09	0.12
Community development in Myanmar	0.02	0.00	0.00
Logistics costs associated with Papua New Guinea community development	0.07	0.29	0.03
Sponsorship and donations in Laos	1.04	0.35	0.21
Sponsorship and donations in Papua New Guinea	0.00	0.01	0.04
Sponsorship and donations in Myanmar	0.01	0.00	0.00
Sponsorship and donations in Vietnam	0.02	0.00	0.00
Sponsorship and donations in Australia	0.00	0.00	0.00
Total contribution	1.47	1.10	0.54
PanAust adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA)	129.86	220.87	189.67
Total contribution as a percentage of EBITDA	1.14	0.50	0.29

The Company made no contributions to community development projects in Myanmar after suspending Operations in February 2021.

PRE-DEVELOPMENT, EXPLORATION AND REGIONAL COMMUNITY DEVELOPMENT IN PNG

In 2022 PanAust continued community engagement for its Frieda River Project permitting process (See page 20).

The Company's community development programs in Papua New Guinea focused on improved health and education services and capacity-building with an emphasis on the maintenance and establishment of infrastructure to support these services. Weekly village engagement continues with communities on the Project status via HF radio.

Current Village Programs include:

- Acquiring and distributing quarterly medical drugs for the three operating aid posts in the project area for the Community Health workers.
- Providing helicopter and fixed wing medivacs to nearest health centres in Telefomin, Mt. Hagen and Wewak.
- A school infrastructure improvement initiative saw the provision and delivery of building materials to all local schools. Travel support was provided for teachers from Frieda Primary School (Ok Isai), Fiak Primary School (for the Mian communities) and Paupe Primary School with bi-annual flights supported in and out of the villages to the nearest centres.
- Utilising company charters to bring in stationary supplies for remote schools in the Project Area.
- Frieda River Limited supplied building materials, technical expertise and administrative support for the construction and registration of a new primary school at Wabia in one of the six landowner communities.
- Frieda River Limited carpenters carried out inspection and maintenance of health Aid Posts in Paupe and Wabia villages.
- Developing programs post Community Leader Forums. This important activity bridges information gaps and ensures transparency of any resolutions or outcomes from the Community Leaders Forum is communicated back to all the communities who had their leaders attend.
- In June 2022, the in-country Community Affairs Team conducted a week-long community engagement exercise with Telefomin and Miyan community speaking groups who are related to the six landowner communities. These neighbouring villages have strong customary and relational links to the landowners. Messaging focused on key components of the Environmental Impact Statement, project design, the permitting process and the types of mining benefits accrued to non-landowner communities.

In 2022, PanAust contributed US\$111,799 to community development programs in PNG, plus US\$20,614 associated with charter flights, the use of the Company's helicopter, and motorised dinghies, to deliver the programs to the Frieda River Project host communities which are inaccessible by road.

Health programs were delivered in collaboration with Telefomin District Health Pacific Island Ministries (PIM) and Papua New Guinea Baptist Church Health Services. Activities included attending to medical emergencies, and the evacuation and referral of patients to regional health centres.

Education assistance was delivered in cooperation with Telefomin District Education and the Boards of various local schools. Under the education programs, a range of initiatives were carried out. Frieda River Limited continued to subsidise school fees in 2022, paying 50 per cent of fees for primary and secondary students from seven villages.

Frieda River Limited also continued providing support, including fee assistance and transport, for tertiary students undertaking studies in primary healthcare and education.

The community affairs team continued the 'community infrastructure grants' program that accumulates K4,000 each month for use by host communities on village infrastructure development. Project planning commenced on several new projects.

Census updates commenced in the seven impact areas and this data will be shared with the District Administration to update the election rolls.

In 2022 the Women in Extractives Program run by Frieda River Limited, expanded its capacity building programs targeting literacy and numeracy training to also include Village Health Volunteer and Village Birth Attendant trainings. Both these community health training programs have received ongoing support from Frieda River Limited and the Telefomin district health authority.



Frieda River Project personnel boarding a helicopter at the Frieda River Project base camp.

COMMUNITY DEVELOPMENT IN LAOS

The Company’s community development programs support the achievement of the UN Sustainable Development Goals by contributing to poverty alleviation and supporting economic progress in rural communities adjacent to its Operations. Focus areas are infrastructure, health, education, agriculture, small business development, and microfinance.

Community development projects are managed in partnership with host communities and closely coordinated with local government authorities. Under a Memorandum of Understanding (MOU) between PanAust and the Government of Laos that defines coordination and management arrangements, community development funds (CDFs) are in place at the Phu Kham and Ban Houayxai Operations. community development fund planning follows a process that begins with community-led needs assessments and a review of the socio-economic situation in each community. As closure of the Operations in Laos approaches, projects are strategically focused to ensure that benefits continue to sustain the Company’s host communities post-closure.



CONSULTATIONS ARE HELD WITH LOCAL GOVERNMENT AUTHORITIES TO ENSURE ALIGNMENT WITH NATIONAL DEVELOPMENT STRATEGIES AND GOALS AND TO AVOID DUPLICATION WITH EXISTING OR PLANNED GOVERNMENT INITIATIVES.

The Company and local governments jointly approve the final annual community development plans. This approach distributes benefits appropriately and aligns with government and/or aid agencies working in the region.

In 2022, a total of US\$380,000 was budgeted for community development fund activities in Laos with US\$300,000 allocated to Phu Kham and US\$80,000 allocated to Ban Houayxai. The plan for 2022 was to progress the 12 outstanding community development fund projects that were put on hold during 2020-21. This began with restarting the process of procurement and awarding contracts, with ten of the projects signing contract memorandums, and of these 10, six contracts were awarded to local construction companies. The first of these projects (asphalting the road to the primary school in Ban Nam Gnone) commenced in December 2022, with the other projects to commence or progress in 2023. A total of US\$137,411 was expended on community development fund projects during the year.

COMMUNITY DEVELOPMENT FUND TOTAL EXPENDITURE IN LAOS (US\$)

	2020	2021	2022
Expenditure	243,475	248,955	137,411

Year on year, community development contributions are determined not only by the Company’s consolidated profit position, but also a range of factors including Company presence, impact, local capacity, and dependency levels as communities mature. The community development budget reflects only the Company’s direct spend and does not include in-kind and administration contributions towards community priorities or the Company’s operational expenditure on items purchased from the community such as locally produced consumables including fruit, vegetables, and water.

EDUCATION

PanAust understands that education is a foundation for improving people’s lives. A sound education is a cornerstone of social development with literacy and numeracy skills creating opportunities for advancement in many areas of life. For these reasons, PanAust’s first community development fund programs in Laos focused on education.

While primary education is compulsory in Laos, enrolment rates, completion rates and learning outcomes are low due to issues related to poverty, low number of schools in provinces, lack of skilled teachers and access to teaching aids. Overcrowding is also an issue in many village schools. While access to primary education has improved significantly, many children leave school before completing the full five-year curriculum, meaning functional literacy—adults who can independently meet the reading and writing demands placed on them—has not been achieved. Secondary and tertiary education completion rates are lower still.

The Company’s education programs aim to improve learning outcomes for children and adults in host communities. Projects have focused on improving children’s access to primary school through school construction, provision of school uniforms and stationery, scholarships and providing measures to improve the quality of education through teacher training and the provision of teaching aids.

In Laos, it is the norm for girls to stop attending school if they are required to travel a long distance from their village. PanAust’s ongoing commitment to improving access to education for its priority villages is addressing this trend.

Since 2010, PanAust has contributed to the construction, expansion and/or improvement of schools in Laos, thereby improving access to education for students. During 2022, the Company contributed US\$60,735 towards initiatives designed to increase access to education and the quality of learning within communities close to its Operations. This figure is higher than previous years, due to the restarting of delayed projects paused by COVID-19 restrictions in 2020 and 2021. Project works have commenced and include:

- Kindergarten improvements in Nam Gnone
- Toilet construction and additional classrooms at the primary school at Nam Gnone
- Toilet construction at the secondary school at Nam Mo
- Improvements to teacher dormitories

COMMUNITY HEALTH

In 2010, PanAust handed the management of community health clinics at Nam Mo and Nam Gnone back to the District Health Office. Specialists in family planning and nutrition work in the clinics and vaccinate infants against diseases such as hepatitis B, tuberculosis, diphtheria, pertussis (whooping cough), tetanus, encephalitis, rubella, polio, and general malnutrition.

Two of the outstanding community development fund health projects, which include the building of a community hospital at Nam Mo and the construction of nurse dormitories, had contracts awarded in 2022, with the projects to begin construction in early 2023.

LOCAL ENTERPRISE DEVELOPMENT

PanAust aims to build long-term capacity in communities through economic development and strengthening community resilience.

The Company prefers to source products and services locally and/or regionally. This approach encourages local suppliers to expand their customer base in preparation for the eventual transition to mine closure.

Agriculture is an industry in which local communities can build on their existing farming capabilities to supply PanAust's Operations, while providing for the expansion of enterprise opportunities.

Post-closure, agriculture has significant potential to be a sustainable source of cash income for local communities, which prior to the Company commencing Operations, was farming at the subsistence-level.

The Company established its Sustainable Livelihoods Program (SLP), in 2018, with the aim of developing positive legacies for local economies that can be sustained beyond the life of the Operations, see page 56 for further details.

In 2022, through its community development programs, PanAust contributed US\$41,566 towards agriculture and US\$1,392 towards small business support activities including irrigation construction and construction works on the Nam Mo community market.

In 2022, the Company collectively purchased US\$617,838 of consumables (vegetables, drinking water, eggs, fruit, and fish) from host community businesses for its Operations in Laos and the Frieda River Project.

INCOME GENERATED FROM SMALL BUSINESS INITIATIVES (US\$)

Country	2020	2021	2022
Laos	628,714	543,410	605,817
Papua New Guinea	3,656	4,649	12,021
Total (US\$)	632,370	548,059	617,838

INFRASTRUCTURE PROVISION

PanAust has made a significant contribution to improving community infrastructure in Laos. This includes medical and educational facilities, other building infrastructure, road development and maintenance, and water and sanitation systems. The Company delivers infrastructure projects (as much as possible) in partnership with governments and host communities.

Under this 'community-constructed infrastructure' model, PanAust procures the materials for projects and host community members, where appropriate and with supervision from local authorities and Company representatives, complete the projects themselves.

In 2022, the Company completed the asphaltting of the road to the primary school in Nam Gnone. Other project contracts were awarded in 2022, including the construction of a cable-stayed bridge, with works looking to commence in 2023.

ACCESS TO FINANCIAL SERVICES

The Company helped 12 communities establish microfinance schemes through the Village Savings and Credit Funds (VS&CFs). The funds empower communities, in particular women, through enterprise development and other benefits that accrue from saving for the future and providing access to savings and loan facilities that are not otherwise available in rural areas.

Members access loans to support a variety of small-scale income-generating activities and to cover household expenditure such as education and healthcare. Village-level management committees provide oversight of the funds and are supervised by a District Supervisory Committee, which is headed by the Lao Women's Union.

PanAust worked with local villages and districts to pursue a more sustainable long-term structure for the funds and after a period of oversight, handed responsibility for the management of the funds to the relevant villages and districts.

CLOSURE PREPAREDNESS AND MESSAGING

CLOSURE PLANNING IS AN INTEGRAL PART OF STRATEGIC AND LIFE OF MINE PLANNING FOR PANAUST (SEE PAGE 68-69 FOR FURTHER INFORMATION ON CLOSURE PLANNING).

In 2021 mine closure for the existing Phu Kham was extended to the end of 2025, in 2022 the mine closure for Ban Houayxai was extended from 2025 to 2030. It is recognised as good practice to establish early dialogue with stakeholders and to align operational commitments with post-closure outcomes during the life of the Operations.

The Company acknowledges the need to ensure that communities close to its Operations are supported to build capacity and skills to plan for, and manage, post-closure issues and capitalise on commercial opportunities. The Company established the Sustainable Livelihoods Program in 2018 to meet this need.



THE SUSTAINABLE LIVELIHOODS PROGRAM AIMS TO SUPPORT LONG-TERM IMPROVEMENT IN THE LOCAL ECONOMIES BEYOND LIFE OF MINE BY CREATING OPPORTUNITIES FOR SUSTAINABLE, HIGH VALUE LIVELIHOODS FOR THE LOCAL COMMUNITIES FOLLOWING MINE CLOSURE.

The program aligns with Phu Bia Mining's life of mine plan, local government development frameworks, and policies and UN Sustainable Development Goals.

The intended legacies of the program include:

- Increased capacity in relevant Government of Laos agencies to support the local economic development of host communities.
- Identification of agricultural products that are demonstrably environmentally sustainable and commercially viable.
- Implementation of successful value realisation models, such as integrated farming system and farming cooperatives.

The program focuses on the delivery of quality, clean commercial agriculture products (CAP), with vegetables, cattle fattening, pineapples, and avocados, being the prioritised products of the program.

Highlights of 2022 include the participation of 70 farmers in awareness training on Lao Organic Standards; Crop and Soil Analysis undertaken in the participating villages confirming the soil is safe for sustainable agriculture; and 14 selected farmers visiting the model-avocado farms in the Vientiane and Champassak Provinces, where they were provided with technical knowledge and avocado seedlings.

The Company also continues to work closely with relevant authorities in the development, implementation, and evaluation of initiatives and supports capacity building of the administering authorities through internal technical and managerial skills development to ensure that the programs will be able to be effectively delivered without input from Phu Bia Mining.



Phu Bia Mining Sustainable Livelihood team members visiting a fish farm in the Nam Mo village near the Phu Kham Copper-Gold Operation.

ARTISANAL AND SMALL-SCALE MINING

PANAUST RECOGNISES THAT ARTISANAL AND SMALL-SCALE MINING (ASM) IS A SOURCE OF INCOME FOR MANY COMMUNITIES WORLDWIDE.

Income generated from ASM flows to other economic sectors within the communities and can positively contribute to poverty reduction and economic development. While in many jurisdictions ASM may be considered traditional, informal, or even illegal, the Company recognises the importance of engaging with communities and stakeholders involved in ASM within the boundaries of its Operations and projects.



PANAUST ENGAGES EARLY WITH THE HOST COMMUNITIES AND STAKEHOLDERS TO UNDERSTAND THEIR CONCERNS AND ISSUES REGARDING ASM.

This approach is consistent with the International Finance Corporation's Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts.

ASM activity is present within the Company's Mineral Exploration and Production Agreement (MEPA) in Laos at some of the regional exploration prospects and near the Phu Kham Operation where there was an increase in activities in 2022. There are also ASM activities within the Frieda River Project area and the Company's Exploration Tenements in Myanmar.

An ASM Standard and an ASM Guideline provide a framework to understand, manage—and where applicable—prevent or accommodate ASM activities that have the potential to impact the Company's Operations and/or reputation.

In October 2022, on the Company's MEPA in Laos, Phu Bia Mining commenced actions in response to ASM activity at the Ban Choy exploration area, in the Phu Khoud District, Xiengkhuang Province. Artisanal miners had begun digging vertical shafts and concerns were raised that people could be injured if the ground collapsed. PBM began working with the Phu Khoud District Governor to reduce the risks associated with illegal mining at Ban Choy, and to help manage and co-exist with the ASM activity without conflict.

Phu Bia Mining established a permanent in-house loss prevention presence at Phonsavanh (provincial capital of the Xiengkhuang Province). This loss prevention team is responsible for monitoring a contingent of six soldiers from the Lao People's Army who have been assigned to the Ban Choy exploration area at the request of the District Governor, to deter further ASM activity. In support of the Phu Khoud District, PBM has developed and rolled out campaigns in six villages near Ban Choy, to educate community members on the dangers associated with illegal mining and the use of mercury. The loss prevention team and the Lao People's Army soldiers now patrol the Ban Choy area daily to monitor and document ASM activity and engage with artisanal miners regarding the dangers of ground collapse and mercury use, and provide warnings they need to leave the area or face consequences under Lao Law.

In October 2022, the PBM loss prevention team were embedded at the Long Chien Track (LCT) deposit to provide security for the mineral resource development (MRD) drilling program. The LCT area has a known history of ASM activity that occurs in very mountainous and rough terrain. The loss prevention and MRD teams mapped and documented ASM activity through physical inspections, aerial drone images, and reconnaissance of known access tracks. A security risk assessment was completed for the dry season drilling program. The security requirements prior to any drilling, included cutting back vegetation to allow open views, the installation of 'danger' signs in both the Lao and Hmong languages, and the construction of temporary fences. The loss prevention team and the Lao People's army were tasked to inspect all known ASM diggings in the vicinity of the operational areas, to ensure there were no illegal miners operating in terrain below operating drill rigs, and to ensure that vibrating equipment did not cause any risks to people who may be tunnelling in the side of the mountain. Drilling activity was only commenced once it was confirmed no illegal miners were in the area. All drilling programs at LCT were successfully completed and ASM activity was managed without incident or conflict.

Furthermore, in 2022, the PBM loss prevention team continued to provide a security presence at the Nam Ve Exploration area; with the team comprising one supervisor, one team leader, and four officers, in addition to 37 soldiers from the Lao People's Army. The loss prevention team and soldiers help to prevent ASM activity in the vicinity of drill rigs and any other heavy machinery and equipment involved in road construction and other maintenance tasks. Concerns were also raised by local farmers that cattle may fall into the open shafts created by illegal miners. To deal with these issues, the loss prevention team and the community relations team have worked together with the local community and local village authorities to identify landowners and farmers who require access to the Nam Ve Exploration area for agricultural livelihood purposes. Access into the exploration area is now well controlled through a series of staffed security gates to prevent unauthorised access, with local landowners and famers granted uninhabited access. However, despite these actions, there are still reports of sporadic ASM activities at Nam Ve occurring at night-time, with the illegal miners gaining access via boats across the Nam Ngum II dam without being detected. ASM activity at Nam Ve will continue to be managed without incident or conflict.



FOR THE FRIEDA RIVER PROJECT, THERE ARE FOUR VILLAGES WHICH PARTICIPATE IN ASM ACTIVITIES IN THE PROPOSED FOOTPRINT AREA.

These four villages, or the ASM sites, are not located within the special mining lease area for the Project. The Company continues to work with the host communities to understand the extent of ASM and how it might interact with the Project in the future. In 2019, the Company engaged a consultant to undertake a pilot program for an in-situ value assessment of the alluvial gold deposits within the Frieda River Project area. The pilot program, using methods similar to those used by ASM miners including pitting, dredging, and panning, was undertaken in the second half of the year. The results of the program were used to design a full in situ value assessment program, the results of which will enable informed discussions with the communities about how to best use the resource.

The full assessment program was deferred in 2020 and was not resumed in 2021 due to COVID-19-related travel restrictions. The Company aims to recommence studies from 2024.

In Myanmar, the 2019 Company-sponsored program for maintaining good relationships between ASM and large-scale mining stakeholders was suspended in 2020 due to COVID-19-related travel restrictions and has remained on hold since 2021 due to the Company's suspension of its Operations including community programs.



The Frieda River Project airstrip along the Frieda River on the border of the West Sepik and East Sepik provinces.



Environment Department team members maintaining seedlings at the Phu Kham Copper-Gold Operation nursery.

ENVIRONMENTAL PERFORMANCE

RESPECT FOR THE ENVIRONMENT IS A CORE COMPANY VALUE AND IS AT THE FOREFRONT OF BUSINESS STRATEGY, DECISION-MAKING AND DAY-TO-DAY OPERATIONS.

PanAust's materiality process identified the environmental performance focus areas for 2022 as:

- water management
- tailings and waste rock management
- cyanide management
- land rehabilitation and closure
- energy and carbon management
- dust and noise emissions.

From exploration to development, throughout Operations and into mine closure, PanAust endeavours to limit its impact on the natural environment. It does this by complying with host country legal requirements and/or international standards (when local standards are either lower and/or silent on a material environmental issue) through the effective management of mine waste, efficient use of resources, progressive rehabilitation of land and the maintenance of ecosystem services⁷.

Planning for the management of environmental issues at the pre-development stage is the cornerstone of PanAust's success regarding its environmental performance.

The Company's approach to environmental management follows ISO 140001—Environment Management Systems standard process including an understanding of baseline environmental conditions, followed by the identification of project-specific risks and potential impacts, then the implementation of controls in conjunction with monitoring and measurement of performance.

Baseline studies, environmental and social impact assessments (ESIAs), external audits and an external international panel of experts for tailings management are used in conjunction with internal risk management processes to understand PanAust's environmental risk profile.

Environmental risks are managed through PanAust's Environmental Management System which includes sustainability standards, procedures and management and monitoring plans for each site. Progress against management and monitoring plans is assessed at regular intervals. For key material issues, external audits and/or detailed reviews of performances are undertaken (for example, for tailings and waste rock management).

The Company recognises that an environmentally-aware workforce is integral to achieving high standards and continual improvement. Each year, PanAust delivers environmental awareness training programs. This includes inductions to all employees and contractors working at its Operations in Laos and at the Frieda River Project site.



Casual labourer Nou Yang caring for seedlings at the Phu Kham Copper-Gold Operation nursery.

PanAust encourages the reporting of all environmental incidents as it reinforces a risk-aware culture and ensures that even minor issues are investigated and appropriately addressed. Incidents are recorded in PanAust's electronic reporting and corrective action event management system, InControl Software by INX. The use of InControl allows for trends to be identified to assist in avoiding repeat occurrences where possible. In 2022, PanAust reported no significant environmental incidents, complaints, spills, penalties, fines, or non-monetary sanctions for any legal non-compliance.

During 2022, the Frieda River Project continued to progress through the PNG permitting for the Special Mining Lease (SML) and environmental approval processes; which included the completion of the Independent Peer Review of the Environmental Impact Statement (EIS) and the Frieda River Hydroelectric Project design with the Conservation and Environment Protection Authority (CEPA). The CEPA-led statutory engagement campaign along the Sepik River corridor was also completed. This completes all the work packages for the environmental permits. CEPA will submit the recommendations to the Environmental counsel once all reports have been written, which is expected to occur in early 2023.

The Company continues to work closely with the Mineral Resource Authority (MRA) and CEPA to ensure stakeholder engagement in the Project and legislative requirements during the permitting phase of the Project are followed.

The Project EIS is available on the Frieda River Limited website: friedariver.com

⁷ Ecosystem services are the benefits people, including businesses, derive from ecosystems. They can be grouped into four broad categories: provisioning, such as the production of food and water; regulating, such as the control of climate and disease; supporting, such as nutrient cycles and crop pollination; and cultural, such as spiritual and recreational benefits.

WATER MANAGEMENT

PANAUST RECOGNISES THAT WATER RESOURCES NEED TO BE MANAGED RESPONSIBLY TO MEET OPERATIONAL REQUIREMENTS—INCLUDING WATER FOR PROCESSING ORE—WHILE LIMITING ADVERSE IMPACTS ON RECEIVING ENVIRONMENTS AND COMMUNITIES.

To this end, PanAust manages water-related risk through internal risk management processes. At the Phu Kham and Ban Houayxai Operations, mine water run-off challenges stem from the location of the sites (steep mountainous terrain in a tropical climate with distinct wet and dry seasons). The Phu Kham and Ban Houayxai Operations are not located in areas of water stress (all human and ecological demands for water are sufficiently met).

Water balance models are in place at the Phu Kham and Ban Houayxai Operations. The models are supported by water management and monitoring programs and incorporate water consumption and run-off and groundwater inputs to the open-pits and tailings storage facilities to predict water discharge volumes. Models also account for high sulphur tailings and waste rock that must remain under a cover of water or encapsulated in clay-lined cells to prevent the generation of acid rock drainage (ARD). At each Operation, most of the water entering the TSF is rainfall run-off from the upper catchments, with a small volume of treated water coming from site processing activities and (at Phu Kham) from pit dewatering. The controlled discharge from each Operation's TSF is closely and regularly monitored by the Company's Environment team together with the Government of Laos' Environmental Monitoring Unit (EMU) officials. Results are assessed against World Bank, IFC and Lao ambient water-quality guidelines as well as background water quality conditions.

While PanAust's Operations use a significant amount of water, considerable effort is placed on effective resource management.



AT PHU KHAM, APPROXIMATELY 94 PER CENT OF THE WATER USED IS RECYCLED.

The fresh water used at Phu Kham is drawn from the nearby Nam Mo River and is used for specialised cooling systems and equipment for the process plant. Water used for domestic purposes is extracted from a combination of water bores and surface water supplies.

The Phu Kham open-pit and TSF have been designed with clean water diversion drains to minimise the capture of rainfall run-off. Water management aims to divert as much clean water run-off as possible and maximise recycling to limit freshwater consumption and discharge volumes. Given the amount of annual rainfall, there is a net positive water

balance and excess water is discharged as necessary in a controlled manner throughout the year. In 2022, controlled wet season discharge from the Phu Kham TSF occurred between May and November in accordance with internal permitting specifications. The Government of Laos is notified when discharge events occur during this time and receive discharge volume and monitoring reports from EMU officials. All discharges were compliant with relevant water quality guidelines.

Ban Houayxai's TSF is located a significant distance from the Operation's processing plant. This geographical constraint limits the amount of water recycling that can occur. Water reuse is therefore maximised within the processing plant area.

The Ban Houayxai TSF is a continuous discharge facility. Exceedances of total suspended solids (TSS) in the facility's discharge occurred during the 2022 wet season. Although the discharge water is still compliant at the ambient monitoring point, the Company has worked to understand the mechanism causing the TSS exceedance. A correlation has been determined that TSS levels are high when total dissolved solids (TDS) are low. TDS is reduced in the wet season, when the water pond increases in size, with TSS increasing and exceeding discharge criteria. The TSS during these instances, is too fine to be removed by filtration. The visible TSS disappears when the discharge water enters the Nam Ngum 2 reservoir. Monitoring of the surface water and borehole water quality confirms that the TSS has a negligible impact to the environment.



Horse Creek near the Frieda River Copper-Gold Project in PNG.

WATER WITHDRAWAL AND DISCHARGE PHU KHAM AND BAN HOUAYXAI OPERATIONS

Water usage and recycling summary (2020-2022) (megalitres*)

	2020	2021	2022
Fresh water domestic use	806	660	569
Fresh water to process	7,857	7,506	7,783
Total water used in process	38,260	31,021	43,445
Recycled water to process	30,403	23,515	35,662
Compliant water discharged**	65,394	66,165	76,786
Percentage of recycled water	79	76	82

* Measured by water meters or other estimation techniques.

** Discharge water from the Phu Kham and Ban Houayxai TSFs.

WATER WITHDRAWAL BY SOURCE PHU KHAM, BAN HOUAYXAI AND TOTAL PHU BIA MINING 2022 (MEGALITRES)

Water withdrawal by source

Indicator	Phu Kham	Ban Houayxai	Total
Surface water *(total)	40,491	7,116	47,607
Fresh water **	4,829	7,116	11,945
Other water ***	35,662	0	35,662
Ground water****	414	155	569
Fresh water	414	155	569
Other water	0	0	0
Total water withdrawal	40,905	7,271	48,176

* Water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, ice bergs bogs, ponds, lakes, rivers and streams.

** Water with concentration of total dissolved solids (TDS) equal to or below 1,000 milligrams (mg) per litre (L).

***Water with concentration of TDS above 1,000mg/L.

**** Water that is being held in, and can be recovered from, an underground formation.

WATER DISCHARGE PHU KHAM, BAN HOUAYXAI AND TOTAL PHU BIA MINING 2022 (MEGALITRES)

Water Discharge

Indicator		Phu Kham	Ban Houayxai	Phu Bia Mining Total
Water discharge by destination	Surface water	11,880	64,906	76,786
	Ground water	0	0	0
	Total water discharge	11,880	64,906	76,786
Water discharge by fresh or other	Fresh water*	0	64,906	64,906
	Other water**	11,880	0	11,880
Water discharge by treatment	No treatment	0	57,790	57,790
	Sewerage treatment plant	77.5	90.5	168
	Manganese treatment ponds	2,329	N/A	2,329
	Lime dosing	37,934	N/A	37,934
	Cyanide destruction	N/A	5,495	5,495

* Water with concentration of total dissolved solids (TDS) equal to or below 1,000 milligrams (mg) per litre (L).

** Water with concentration of TDS above 1,000mg/L.

*** Ban Houayxai sewerage treatment plant discharge also includes all process plant runoff water.

TAILINGS AND WASTE ROCK MANAGEMENT

TAILINGS AND WASTE ROCK MANAGEMENT CONTINUES TO BE THE MOST SIGNIFICANT SHORT- AND LONG-TERM ENVIRONMENTAL RISK FOR PANAUST.

The quantity of tailings material, its mineral composition and fine sediment nature and the requirement for long-term stable TSFs necessitates robust tailings management strategies. The management of waste rock to prevent ARD is comprehensive due to the potential for ARD to induce acidity and dissolved metals into water which can be harmful for receiving environments. To effectively manage these risks, detailed planning and designs are required before mine development. Further comprehensive governance during Operations is crucial to ensure environmental impacts are equal to, or better than, international standards. Operational governance also promotes beneficial post-mining land use and reduces post-closure liability.

TAILINGS

PanAust operates two purpose-built TSFs, one for each of its Operations in Laos. Each is designed and constructed to international standards and guidelines (including the Australian National Committee on Large Dams, ANCOLD 2022) and considers an integrated life of mine and closure management strategy. The Phu Kham TSF contains waste rock and tailings. The Ban Houayxai TSF is used to store tailings with waste rock placed in separate engineered waste rock dumps.

Detailed information on the tailings facilities is described below, with the Life of Mine (LoM) volumes based on the latest designs, current tailings densities, and production rates.

TABLE 2.1: TAILING FACILITY DETAILS AND VOLUMES

Tailings Facility	Description of Type	Initial Operation Date	Raising Method	Current Volume Mm ³ (end of 2022)	Planned LoM Volume Mm ³
Phu Kham TSF	Cross-Valley Embankment	April 2008	Downstream	149.8	171.9 (LoM Dec 2025)
Ban Houayxai TSF	Cross-Valley Embankment	March 2012	Downstream	34.5	55.8 (LoM May 2030)

TSFs require comprehensive management and governance processes throughout the life of each facility. PanAust has a well-established stewardship program for its TSFs in Laos which includes the following:

- **PanAust senior management commitment:** a commitment from the MD and CEO to ensure appropriate governance processes are in place and construction and operating procedures for the facilities are consistently adhered to.
- **Tailings Independent Review Panel (TIRP):** the TIRP directly reports to the Board of Directors via the MD and CEO on material risks to the facilities. The TIRP consists of up to three industry-leading tailings, geotechnical and water specialists. Each year, the TIRP review process includes physical inspections of the Phu Kham and Ban Houayxai TSFs and an evaluation of the monitoring and measurement systems. The Panel reports its findings to the MD and CEO and PanAust's Tailings Review Committee. Action plans are developed, and follow-up actions area tracked to confirm progress. The annual TIRP review was held on site in May 2022 with a number of priority 1 recommendations (most important level) but no critical findings identified.
- **Tailings Review Committee:** the Committee reports directly to the Board of Directors via the PanAust MD and CEO and consists of the MD and CEO, Phu Bia Mining Managing Director, PanAust General Manager Studies, Phu Bia Mining General Manager Operations, PanAust Group Manager Risk and Sustainability, and the Phu Bia Mining Tailings and Geotechnical Manager. Each year the Committee oversees the implementation of actions related to material risks, facilitates the TIRP review and oversees the actions and updates in the relevant risk register. Tailings Review Committee meetings were held in March and September 2022.
- **Overview and quality assurance:** the PNA Tailings Governance Standard outlines tailings overview and quality assurance processes. These are validated through the routine functions of the TSF and Geotech Manager, TRC, TIRP, Engineer of Record.
- **Annual dam safety inspections:** annual dam safety inspections were completed in September 2022. Action plans have been developed and follow-up actions are tracked to confirm progress.
- **Risk-based review:** a risk-based review of both facilities is completed annually by the site teams and was conducted in September 2022.
- **Engineer of Record:** the Engineer of Record is considered the responsible technical person for the tailings facilities and is involved in all aspects of design, operation, and performance monitoring of PanAust's TSFs. an inspection in the first quarter could not be conducted due to travel complications arising from the second wave of COVID-19 in Laos at the start of year.. The quarter two inspection took place in May 2022, quarter three was integrated into the ADSR in September 2022 and the quarter four inspection took place in January 2023, resulting in one priority one recommendation (most important level) at each site.
- **Quarterly inspections:** the Engineer of Record conducted quarterly inspections of the tailings facilities in May 2022 (Q2) and September 2022 (Q3). The Q1 inspection was not conducted due to travel complication which arose due to the second wave of COVID-19 spreading through Laos at the start of 2022.
- **Inspections and monitoring:** daily, weekly, and monthly inspections and monitoring are conducted by trained PanAust employees reporting to a site-based Tailings and Geotechnical Manager. Monitoring of seepage and embankment deformation is undertaken as well as inspections and audit programs to ensure that the equipment is operational and working appropriately. Any anomalous items area investigated and escalated as required to the Engineer of Record.
- **Detailed dam design:** a detailed dam design for each construction period is produced by the Design Engineer, Knight Piesold. The TIRP and/or various subject matter experts are engaged as required for input into the design process.
- **On-site laboratory:** the quality control and assurance of construction TSF materials is completed at the on-site laboratory at each Operation. A dedicated Senior QA Engineer oversees lab assurance activities which include the monthly sending of verification test samples to an external laboratory to cross check testing done on site. An audit of the Phu Bia Mining's lab facilities is scheduled for 2023.
- **Mine closure:** The Phu Kham Mine closure plan was progressed in 2022 with a revised draft, based on latest life of mine projections, is expected to be completed in Q3 2023. The Ban Houayxai TSF expansion design has been fast tracked to cater for a recently extended life of mine plan with conceptual closure plans to be developed as part of the expansion plan.



Process Trainer Mr Thongia Thor standing next to the tailings pipeline at the Phu Kham Copper-Gold Operation tailings storage facility.

ODOUR CONCERNS

Ban Nam Gnone villagers near the Phu Kham Operation have raised an ongoing issue regarding the odour coming from the TSF. In response to understanding the impacts of our Operation, in 2021 a project was initiated by the site-based mine processing team to address the odour issues. The team worked to identify the root cause including identifying the chemicals that were likely causing the odour and sought to identify alternatives.

The key parameters previously implicated as chemicals of concern in this study were hydrogen sulphide and sulphur dioxide. The levels of these chemicals at the TSF and in Ban Nam Gnone village will be monitored continuously once odour measuring devices are installed in January 2023. Once sufficient data has been collected (following both the dry and wet seasons), it will be analysed and a report produced which will include feedback to the Ban Nam Gnone community. PanAust recognises the importance of treating its communities with respect and will look to implement a collaborative approach with the villagers to resolve the issue in 2023.

WASTE ROCK

PanAust's approach to acid rock drainage (ARD) management is consistent with current initiatives being adopted as good practice across the global mining industry.

PanAust actively manages the potential for ARD from the early stages of mine planning through to Operations and closure. At Phu Kham and Ban Houayxai, the management strategy to address the potential for ARD commenced well before mining Operations began, with sulphur content being an integral component of orebody modelling and mine planning processes. The sulphur content assessment facilitated detailed characterisation of rock types based on their acid-forming potential which informed the development of an integrated ARD life of mine plan. A similar approach has been applied to the hydroelectric facility proposed for the Frieda River Project.

The ARD management plans provide strategies for the identification, control and monitoring of mine waste and are regularly updated with any relevant changes in sulphur modelling. The Phu Kham and Ban Houayxai ARD management plans classifies waste rock and how it is managed in accordance with the following categories:

- **Blue waste rock:** lithologies with non-acid forming potential and acid-neutralising capacity; can be deposited in designated site locations.
- **Green waste rock:** non-acid forming; can be deposited in designated site locations and can be used for other purposes.
- **Amber waste rock:** low acid-forming potential; suitable for placement within the catchment of the TSF and within purpose built, clay-lined cells to prevent oxidation.
- **Red waste rock:** high acid-forming potential; deposited within the catchment of the TSF and is progressively submerged below a water cover and within purpose-built, clay-lined cells to prevent oxidation and reduce the potential for ARD.

As new operational areas are planned and in development, the existing ARD management plan and waste characterisation criteria are assessed for suitability. These processes are updated, adapted, and customised as required based on the knowledge base developed from early works characterisation. These processes are then reviewed through the LoM through the external audits process.

At Phu Kham and Ban Houayxai, seepage and surface run-off from mineralised waste and low-grade ore stockpiles is managed through internal water management systems. Rehabilitation of these stockpiles is accounted for in mine closure plans and is an integral part of progressive closure taking place at site. Waste rock is placed in small lifts to manage waste segregation and resulting oxygen advection. Where required, the encapsulation material forming the cover system is constructed concurrently to waste placement therefore reducing the potential for waste oxidation during and after Operations.

Mining Operations at Phu Kham and Ban Houayxai use a mobile fleet management system (Jigsaw) that incorporates real-time global positioning technology to ensure that specific waste rock types are directed to the correct destination on a truck-by-truck basis.

TAILINGS/WASTE ROCK QUANTITIES (TONNES) PHU KHAM AND BAN HOUAYXAI OPERATIONS

	2020	2021	2022
Waste Rock (total)	37,572,385	35,534,020	41,288,598
Red waste rock	11,554,503	4,140,462	6,019,946
Tailings	16,249,721	12,126,098	15,311,772

During 2022, a specialised geochemical consultant was contracted to conduct an external audit of ARD management practices along with geochemical characterisation processes for existing and planned operations. This audit process allows PanAust to continually assess, adapt, and improve management practices based on the dynamic operational environment.

Consultant reviews of ARD management at Phu Kham and Ban Houayxai confirm that the programs are comprehensive and consistent with methods described in the Global Acid Rock Drainage Guide (which is sponsored by the International Network for Acid Prevention with the support of the Global Alliance, 2014).

CYANIDE MANAGEMENT

THE BAN HOUAYXAI OPERATION USES CYANIDE IN THE PROCESSING CIRCUIT TO EXTRACT GOLD AND SILVER FROM MINED ORE.

PanAust recognises that the use of cyanide for precious metal extraction is very common practice but does not dismiss the need for stringent operating and environmental controls to necessitate the safe transportation, use and disposal of cyanide and cyanide-related products.

PanAust is a signatory to the International Cyanide Management Code (the Cyanide Code) and maintains certification of its Ban Houayxai Operation to the Cyanide Code. The Cyanide Code is administered by the International Cyanide Management Institute (ICMI) and is a voluntary program for the responsible manufacture, transport, use and disposal of cyanide used in gold and silver production.

The Ban Houayxai Operation's design was predicated on achieving Cyanide Code compliance and included robust process control systems, bunding, leak detection systems and organisation procedural controls. The most notable feature is the plant's detoxification circuit which destroys cyanide in the tailings slurry using the INCO process. Ban Houayxai tailings contain less than the International Finance Corporation's recommended safe levels of cyanide for solutions discharged into the environment as stated in its Environmental, Health and Safety Guidelines. Due to there being 0.5 parts per million cyanide present, Ban Houayxai's Operations technically do not require ICMI code compliance.

Ban Houayxai received pre-operational certification to the ICMI in 2012 and operational certification in March 2013. It was recertified in 2016, and again in 2019 with the next recertification due in 2022. In August/September of 2022, a formal audit against the compliance requirements of the International Cyanide Management Code (ICMI) was completed at the Ban Houayxai Operations by WSP (Golder). The ICMI certificate of compliance for the Ban Houayxai Operation was received in May 2023. PanAust conducts annual internal gap audits at Ban Houayxai to ensure the Operation remains compliant to the Cyanide Code. PanAust's compliance to the Cyanide Code is testament to how effective planning during design can mitigate environmental issues during Operations. The Company's certification audit reports and signatory status are available on the ICMI website, cyanidecode.org.

PanAust recognises that the ongoing management of cyanide risks is dependent upon a trained, competent, cyanide-aware workforce. The site-based Emergency Response Team is trained to respond to cyanide incidents and environmental rehabilitation techniques to contain spills. The site regularly hosts cyanide awareness sessions with communities along Ban Houayxai's transport and concentrate haulage route. Cyanide transportation activities were previously undertaken by a third-party Cyanide Code certified transporter, however, in 2022, PanAust had the capacity to undertake transportation through in-house capabilities.

ENVIRONMENTAL PERFORMANCE CASE STUDY

PanAust's Phu Bhu Mining Logistics undergoing certification for cyanide transportation

PanAust is already a signatory of the Cyanide Code for its Ban Houayxai operations, which focuses on the responsible manufacture, transport, use and disposal of cyanide used in gold and silver production.

In 2022, Phu Bia Mining Logistics (PBM Logistics), a subsidiary of Phu Bia Mining, who are responsible for the Company's employee transport, concentrate haulage and in-bound freight and consumables activities in Laos, Vietnam and Thailand, took over PBM's cyanide transportation. Cyanide is transported to the Ban Houayxai operation from the Port of Da Nang in Vietnam.

As part of this change, PBM Logistics undertook cyanide certification to become Cyanide Code compliant for logistics operations. Audits were undertaken on 1-3 September 2022 by an independent third-party auditor. The auditor evaluated PBM's supply chain against the ICMI Transportation Verification Protocol and found it to be fully compliant with the Cyanide Code's Transport Principles and Standards of Practice. The Detailed Audit Findings Report was supplied to ICMI, with the certificate of compliance issued in March 2023.

LAND REHABILITATION AND CLOSURE

THE PROGRESSIVE REHABILITATION OF LAND AND APPROPRIATE CLOSURE PLANNING IS ESSENTIAL FOR ENSURING THAT LAND-USE MEETS STAKEHOLDER EXPECTATIONS AND ENVIRONMENTAL REQUIREMENTS.

The Phu Kham and Ban Houayxai Operations progressively rehabilitate land to minimise their ongoing environmental impacts and facilitate achieving post-mining land use objectives. Both Operations have nurseries to propagate native plant species seedlings to be used in rehabilitation. This is supplemented by hand seeding with the assistance of locally sourced casual labourers and mechanised hydro-seeding across large areas to both facilitate revegetation and promote surface stability.



ANNUAL PROGRAMS TO REHABILITATE DISTURBED LAND ARE INCORPORATED INTO EACH SITE'S OPERATING PLAN.

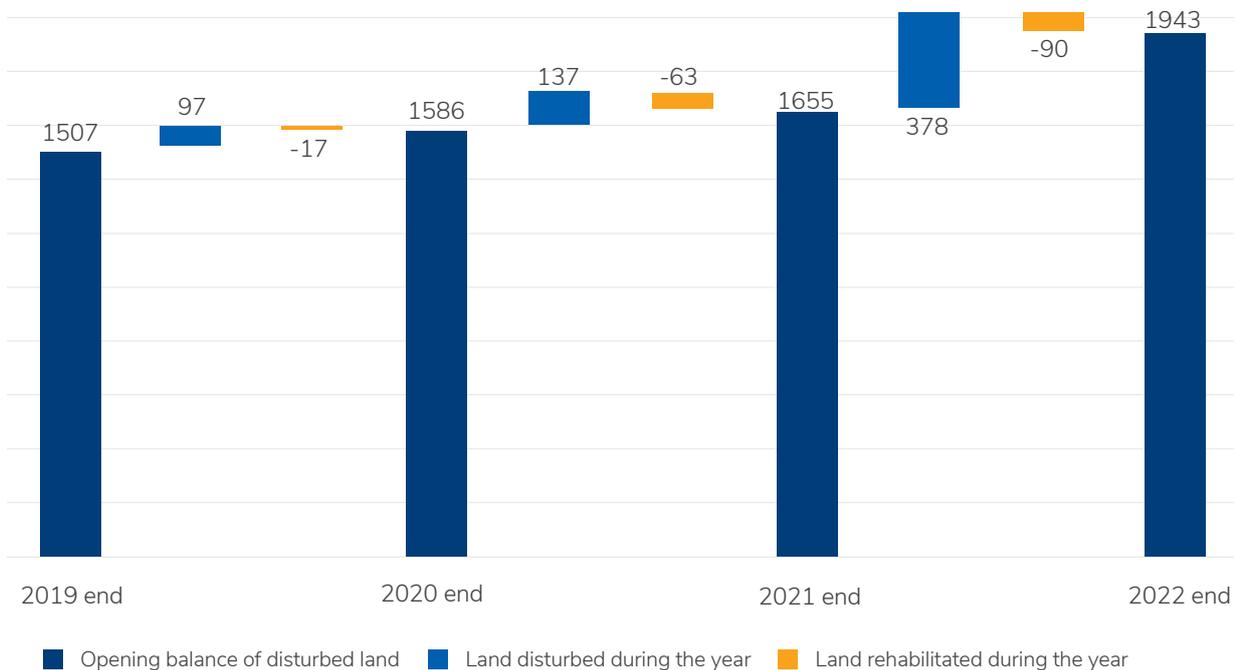
PanAust recognises that, in most cases, achieving full rehabilitation to meet stakeholder agreed completion criteria may take several years, and that monitoring, and maintenance form an important component of successful rehabilitation at both Operations.

PanAust also recognises that some parts of its Operations, such as the mining pits and tailings dams, may never be able to be fully rehabilitated and returned to their prior state due to the physical changes of the landforms. PanAust continues to work with key stakeholder on their land use plans.

LAND DISTURBANCE AND REHABILITATION (HECTARES) PHU KHAM AND BAN HOUAYXAI OPERATIONS

	2020	2021	2022
Land disturbed and not rehabilitated	1,507	1,586	1,655
Land disturbed in reporting year	97	137 ¹	378
Land rehabilitated in reporting year	17	68	90
Total land disturbed and not yet rehabilitated	1,586	1,655	1,943

¹ Evidence of land disturbed data for Phu Kham, Ban Houayxai and Phu Bia Mining exploration activities could not be provided, hence it is not assured. Establishing a process to reconcile land disturbed by site each year represents a priority.



PanAust considers closure planning at all stages of a project's lifecycle. Where significant risks are posed by ARD, PanAust's Operations are designed to manage long-term closure risks.

PanAust aims to align with the International Council on Mining and Metals (ICMM) principles and follow ICMM good international industry practices and the ICMM Integrated Mine Closure—Good Practices Guide (2019). Best practice in the principles notes the effects of climate change must be considered from a risk and design perspective for the closure design of mine infrastructure.

In 2020, an external consultant, Earth Systems, a multidisciplinary environmental and social consulting firm, conducted a closure climate change study for the Phu Kham and Ban Houayxai Operations. The study assessed the future climate and rainfall in the region and developed a strategy to ensure that climate change is adequately considered in closure designs for operational sites, including developing an updated climate data sequence. In 2021, the study results and recommendations have been incorporated into closure designs. A number of studies have been progressed in 2022 for Phu Kham with the aim to resubmit the preliminary Mine Closure Plan at the end of 2023.

The Company has in place a Closure Standard which sets out the closure requirements for both the Phu Kham and Ban Houayxai Operations. During 2022, the PanAust Group Closure Standard was reviewed and updated to include a company-wide closure vision for assets and the development of closure objectives.

PanAust's vision is that the Company is proud of its former operational sites that exemplify responsible mine closure. This vision is supported by four objectives:

- Our economic legacy will allow local communities to sustain themselves at a higher standard economically than prior to our arrival.
- Our environmental legacy will be safe, stable, non-polluting landforms.

- Our infrastructure legacy will consist only of assets that can be responsibly transferred to new owners.
- We will progressively relinquish our closed sites when satisfied that their future guardianship is assured.

Preliminary mine closure plans are also in place for both Operations and for the Gold Mine Operation (GMO) Heap Leach decommissioned facility, each of which is supported by financial provisioning.

Internal oversight of the closure planning process and stakeholder engagement strategy is provided by the Company's Closure Review Committee (CRC) and the Closure Independent Review Committee (CIRP). The Committee is supplemented by technical consultants as required.

A rehabilitation trial using acacia and eucalyptus tree seedlings planted on the Red Road Waste Dump at Phu Kham, commenced in 2019. The seedlings were donated to the Company by the Burapha Agroforestry. Monitoring is continuing in 2022. The trial investigated whether run-of-mine waste material (primary conglomerate) can be used in lieu of topsoil to support the growth of potentially value-adding timber products. The acacia and eucalyptus grew very well, with the trial considered a success. Although this result supports alternative land use options for mine closure, this option is currently not part of the mine closure plans.

In 2022, work continued at GMO to improve surface water management of the Heap Leach Pad (HLP) at the decommissioned facility. The redesign of the HLP to re-align the drainage channel system to stop percolation and eliminate water infiltration into the HLP was successful in reducing leaching. The discharge water now consistently meets the ambient water quality criteria. The constructed wetland created to passively treat site run-off is no longer essential. The Company is looking to bypass the wetland and directly discharge water into the Nam Gnone River. Sampling of the soil and groundwater has been undertaken with the aim to rehabilitate the wetland in 2023.



Regeneration of the slopes above the stage 14 pit at the Phu Kham Copper-Gold Operation.

ENERGY AND CARBON MANAGEMENT

FUEL AND ELECTRICITY ARE SIGNIFICANT COST DRIVERS FOR THE PANAUST BUSINESS. ENERGY EFFICIENCY IS CONSIDERED IN THE DESIGN PHASE FOR PANAUST'S OPERATIONS AND PROJECTS.

Ongoing campaigns to minimise the consumption of energy and materials to lower operating costs, are consistent with the intent of the ICMM Principles for Climate Change Design.

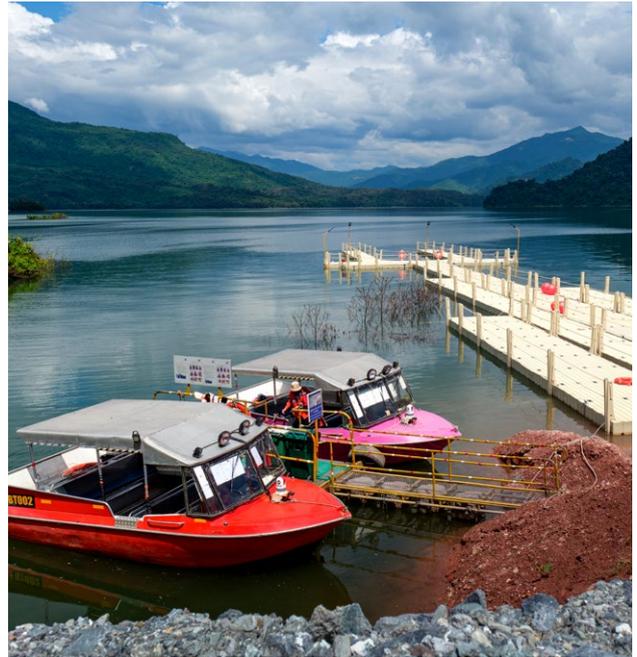
PanAust assesses and manages carbon and climate change risks through internal and risk management processes and systems. As a substantial consumer of energy, particularly in Laos, PanAust identifies annual efficiency programs to reduce energy requirements. Each year, teams across the Group identify and submit for selection and implementation, improvement projects to reduce energy and/or materials consumed. These projects are tracked to identify annual cost and greenhouse savings and associated payback periods.

The Company has previously changed its preferred port for shipment of its copper concentrate produced at its Phu Kham Operation from the Sriracha port in Thailand to the Hon La port in Vietnam. The reduced distance continues to reduce the Company's emissions associated with the burning of fossil fuel.



IN 2022, AN OPERATIONAL EFFICIENCY PROGRAM WAS IMPLEMENTED THAT CONTINUED PANAUST'S ONGOING INTENTIONS TO REDUCE ENERGY CONSUMPTION AND RELATED GREENHOUSE GAS REDUCTIONS.

With worsening road conditions on the ADB9 haulage route to Phu Kham, in 2022 the use of jet boats to ferry workers across the lake from Ban Houayxai to Phu Kham was increased; and with it, an energy efficiency project was identified. A project was introduced to reduce the speed of jet boats from 50km/hr to 40km/hr, which in turn decreases the amount of fuel burned and fuel consumption. The results of the project identified that Boat 1 was able to reduce its fuel burn by 25 per cent and Boat 2 by 35 per cent after the project was implemented. While this is only a small reduction in fuel use overall compared to the fuel used by the mining fleet, it shows how PanAust is committed to identifying opportunities for improvement in all areas of the business.



Jet boats used to ferry passengers between the Phu Kham Copper-Gold Operation and the Ban Houayxai Gold-Silver Operation.

Exploration activity in Laos increased significantly in 2022 with associated increased diesel, petrol, and LPG use, resulting in Scope 1 GHG emissions for the exploration areas more than doubling from 2021 to 2022.

PanAust is also a member and sits on the board of the International Copper Association Australia (ICAA). The ICAA is supporting the industries move towards zero emission mining and is leading the multi-year program—Road to Zero. The purpose of this project is to provide mining companies with clear perspectives on current and future technological pathways to increase efficiency and lower emissions. PanAust has committed to participating in the future workstreams of the Road to Zero project.

ENERGY CONSUMPTION (TERAJOULES)

Material	2020	2021	2022
Diesel	2,409.0	2,064.4	2,334.9
Electricity	1,678.8	1,278.5	1,594.6
Petrol	0.7	1.6	1.3
LPG	7.0	6.5	7.6

ENERGY INTENSITY (KILOJOULES/TONNE ORE AND WASTE MINED)*

Material	2020	2021	2022
Diesel intensity (kJ/t)	46,648	43,005	40,350
Electricity intensity (kJ/t)	32,509	26,634	27,556
Total ore and waste mined (Kt)	51,642	48,004	57,867

* includes Phu Kham, Ban Houayxai, Frieda River, exploration activities and offices

PanAust's greenhouse gas emissions are primarily driven by scope 1 and scope 3 emissions which combined make up 90 per cent of the company's total emissions. The remaining 10 per cent can be attributed to scope 2 emissions from purchased electricity.

Diesel consumption for mining and transport activities accounts for the largest component of PanAust's energy and greenhouse gas inventory. Forty-nine per cent of scope 1 emissions are generated by combusting diesel fuel to power the mining fleets at both the Phu Kham and Ban Houayxai operations as well as the logistics fleet used to transport copper concentrate from the Phu Kham operation to the port facilities in Vietnam and Thailand.

Activities that generate scope 1 emissions are the activities that the company's energy efficiency programs tend to focus on as they are the activities that can easily be influenced by changes in site practices such as the reduction in speed of the jet boats reducing the fuel burn rates for them.

PanAust recognises that drivers play an essential role in delivering fuel efficient transport. The Company continues to implement its 'smooth drive' fuel efficiency program which helps to reduce fuel consumption and reduce maintenance issues which assists in extending the life of the transport fleet. The best 'Smooth Driver' performers are rewarded.

In 2022 the Caterpillar Contamination Control audit resumed after being paused in 2020 and 2021 due to COVID-19. PanAust's Phu Kham and Ban Houayxai Operations' maintenance facilities have retained their Caterpillar 5-star contamination control rating for the eighth and ninth year respectively. Phu Kham and Ban Houayxai are two of only three Operations worldwide that have the maximum 5-star rating (as advised by Caterpillar). The work that is in place to achieve and maintain this rating is significant for greenhouse gas emissions savings, particularly in terms of reduced materials consumption.

Specifically, the efforts involved in achieving the maximum 5-star accreditation have led to reduced oil consumption and extended replacement/rebuild life of the mining fleet at both Phu Kham and Ban Houayxai.

Scope 2 emissions for PanAust are only a small percentage of the overall emissions generated by the Company as the main source of power in Laos comes from low emission hydroelectric dams. There is minimal scope for improvements in the sustained reduction of scope 2 emissions as the main consumption of electricity for the company is by the crushing and grinding circuits at both the Phu Kham and Ban Houayxai operations and the electrical load on these circuits is primarily driven by the volume of ore being processed.

Scope 3 emissions comprise 41 per cent of the company's total emissions and relate to emissions from upstream value chains for the sourcing, production and transportation of raw materials used by PanAust and the downstream value chains for logistics and the use and disposal of copper concentrate and gold doré. This is the first year that scope 3 emissions have been reported.

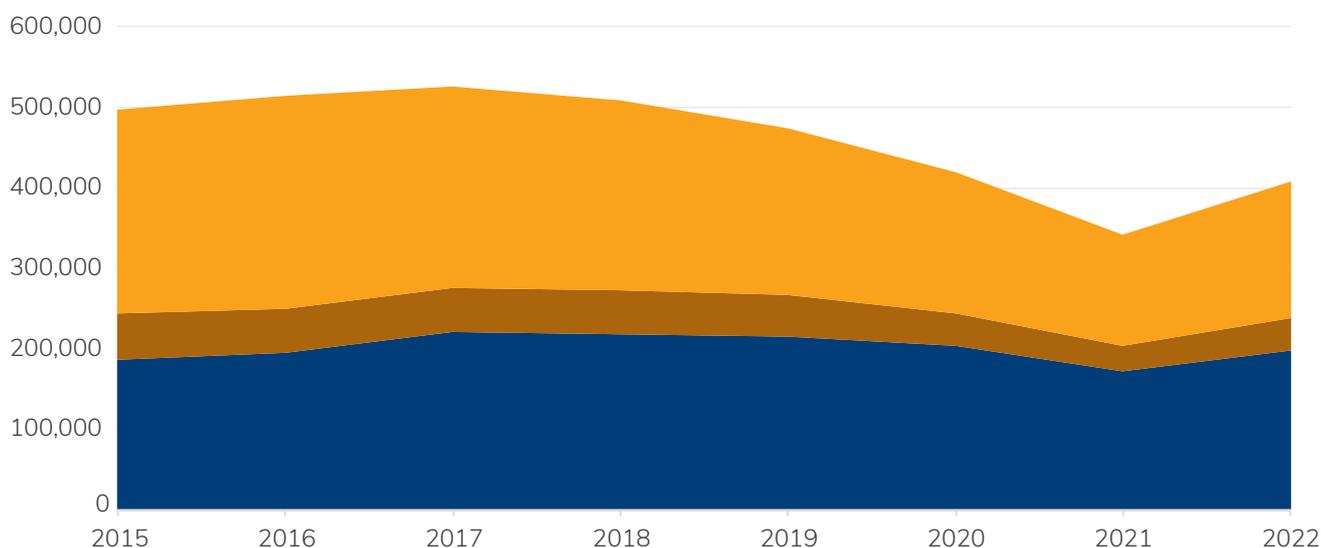
GREENHOUSE GAS EMISSIONS (TCO₂-E)

Greenhouse Gas Emission Scope	2020	2021	2022
Scope 1 (direct greenhouse gas emissions)**	203,224	172,278	198,839
Scope 2 (indirect greenhouse gas emissions from the generation of purchased electricity)**	41,094	31,376	39,025
Scope 3 (greenhouse gas emissions from the broader project lifecycle including materials used, travel and transport)	175,972	138,187	169,176
Total emissions	420,290	341,841	407,040

*Measured according to the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol

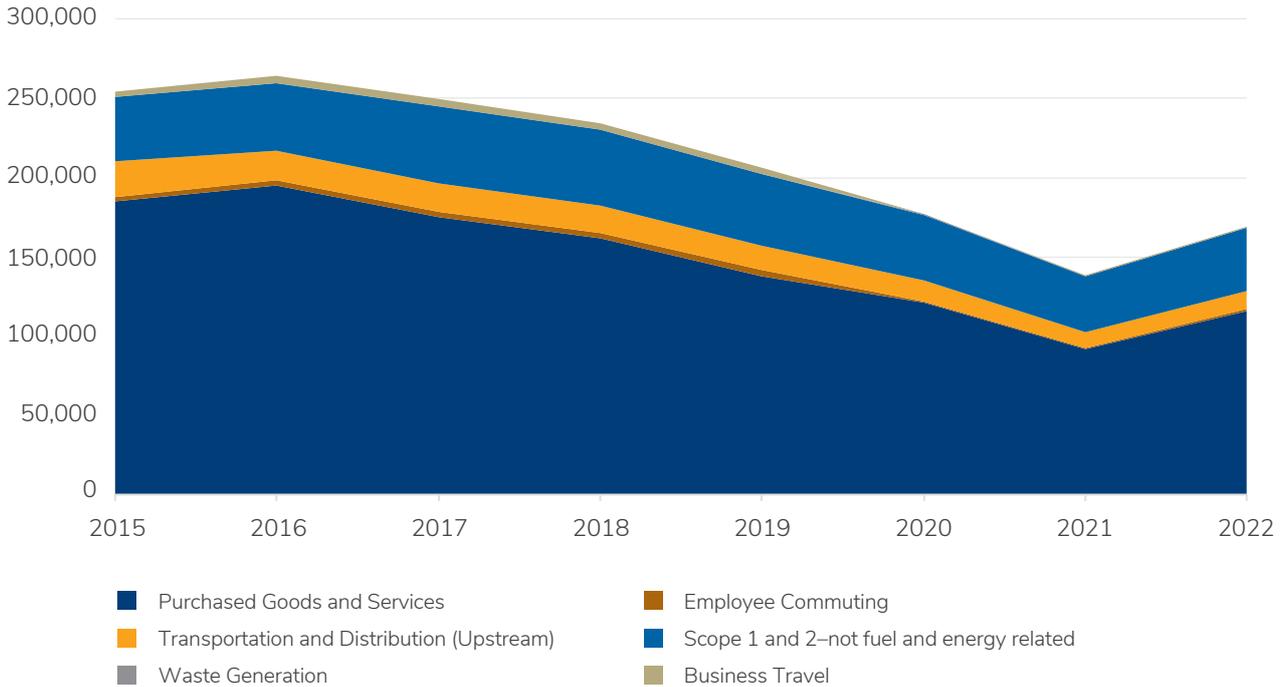
**Emissions include Phu Kham, Ban Houayxai, Frieda River, exploration activities and offices

TOTAL GREENHOUSE GAS EMISSIONS OVER TIME



- The sum of Scope 3 GHG emissions identified in tonnes of CO₂ equivalent.
- The sum of Scope 2 GHG emissions identified in tonnes of CO₂ equivalent.
- The sum of Scope 1 GHG emissions identified in tonnes of CO₂ equivalent.

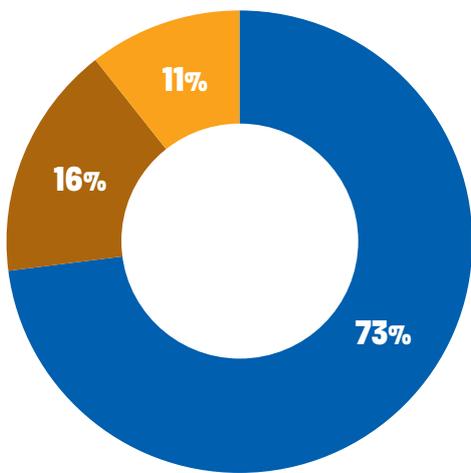
SCOPE 3 GREENHOUSE GAS EMISSIONS



GREENHOUSE GAS EMISSION INTENSITY

Greenhouse Gas Emissions Intensity	2020	2021	2022
Phu Kham Operation (tCO ₂ -e/t copper)	3.71	4.20	4.17
Ban Houayxai Operation (tCO ₂ -e/oz gold and silver)	0.09	0.08	0.12

2022 SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS BY ENERGY SOURCE



- Diesel (Scope 1 and 2)
- Electricity (Scope 1 and 2)
- Other (Scope 1 and 2)

During 2022, a review and update of the Sustainability Policy and its commitments was undertaken. As part of this review, it was recognised that there is a gap in the PanAust sustainability strategy in relation to energy, decarbonisation and greenhouse gas management. It was identified that while PanAust proactively identifies and implements projects that may reduce the consumption of energy across the business, there is no overall strategy in place guiding the identification of projects or setting targets for reductions in energy consumption or improvements in efficiency. A paper outlining the gaps and potential strategies for addressing this issue was developed and submitted to the PanAust senior management team for consideration.



IT IS EXPECTED THAT FURTHER WORK AROUND POTENTIAL STRATEGIES FOR ADOPTION, WILL BE CARRIED OUT IN 2023.

DUST AND NOISE EMISSIONS

MINING AND PROCESSING, THE HAULAGE OF PRODUCTS, AND THE TRANSPORTATION OF GOODS TO AND FROM PANAUST'S SITES HAVE THE POTENTIAL TO GENERATE DUST AND NOISE EMISSIONS. PANAUST RECOGNISES THE IMPORTANCE OF ASSESSING AND MANAGING THE ATTENDANT RISKS ASSOCIATED WITH THESE EMISSIONS.

Dust and noise emissions are the most common environmental concern for those living in the communities adjacent to the Phu Kham Operation. This is due to the proximity of the work associated with the construction of waste rock dumps and the Haul Road Anomaly open pit. While similar monitoring is carried out at the Ban Houayxai Operation, dust and noise are less of a concern for those living in the host communities given the Operations' comparatively remote locations.

DUST

The principal issue of concern relates to the impacts of dust particulates on vegetation and community infrastructure. Dust at the Phu Kham Operation is generated from activities on haul roads, the ore stockpile, blasting, drilling, and excavating and ore dumping at the primary crusher.

The Company works to limit dust generation by minimising land disturbance, carrying out road watering, using filters and dust suppression equipment on drills and conveyor systems and transporting product in covered vehicles. An internal dust management forum and Dust Management Plan are in place at Phu Kham. A Trigger Action Response Plan (TARP) is used to manage acute dust emissions issues. Ambient air quality monitoring is regularly conducted in communities adjacent to the Phu Kham Operations and haulage route. Personal exposure monitoring is also conducted in the workplace.

A dust monitoring report is provided on a weekly basis during the wet season and daily during the dry season to the mining team to ensure adequate haul road watering is achieved in areas close to the Nam Gnone village which borders the Operation. Presentations of dust monitoring results are provided quarterly to local authorities and to village communities, to provide opportunities for feedback including grievance issues related to dust management at Phu Kham. There were no major air quality issues involving dust management in 2022.

In 2020, air quality monitoring stations were introduced to monitor ambient and operation-related air quality levels, with the program continuing in 2022. The four strategically located dust monitoring stations remain in place at Nam Mo, Nam Gnone, the Phu Kham process plant, and the accommodation camp. The monitoring stations provide immediate notification, with the information able to be passed on to the mining team and adjustments made

accordingly as required. The monitoring stations continue to provide valuable data, which ensure dust mitigation strategies are effective for the Phu Kham Operation. Despite the controls being implemented, air quality remains an issue during the dry season influenced by regional burning across Southeast Asia.

NOISE

The principal concern with noise relates to potential night-time impacts (including disrupted sleep and related fatigue) for those living in the villages close to the Phu Kham Operation. Noise at the Operation is primarily generated from mining equipment operating near the villages, haulage trucks reversing and the noise from the primary crusher.

The established noise monitoring program has continued in 2022. Four noise monitoring stations are located adjacent to the Nam Gnone village and close to the north-west dump development area. Like the air quality monitors, the noise monitors are also capable of providing immediate notification, with the information able to be passed on to the mining team and adjustments made as required. Data collected from these monitoring stations continues to be reviewed by the site Environment team and is reported to the mining team weekly to support the continuous improvement of noise abatement strategies.

Despite the Company working to reduce the impact of noise on the villages adjacent to the waste rock dump construction areas, a noise complaint was received in January 2022, from the Ban Nam Gnone community regarding night-works at the north-west Dump. An investigation was conducted, with results highlighting that operation related noise is compliant with the Lao noise standards; however, it was agreed to restrict work hours on the north-west dump to daytime only. One of the noise monitoring stations was also moved closer the receptor in the Ban Nam Gnone village.

A presentation of noise monitoring results to the local communities has been re-established with the removal of COVID-19 restrictions, with meetings occurring quarterly. This will continue to provide an opportunity for direct stakeholder feedback and collective/personal grievances to be addressed in relation to noise management.



PanAust Managing Director and CEO, Daling Zheng, and General Manager Geology, Matthew Farmer, at the Ban Houayxai Gold-Silver Operation.

HEALTH AND SAFETY PERFORMANCE

THE COMPANY'S ZERO HARM PHILOSOPHY CONSIDERS ALL WORKPLACE INCIDENTS AND INJURIES PREVENTABLE.

PanAust's materiality process identified the health and safety performance focus areas for 2022 as:

- safety performance
- contractor management
- fitness for work
- security management.

Achieving business objectives, while keeping the workforce and host communities safe, is essential to PanAust's success and is closely aligned with the Company's Values.

Through visible leadership, plans and actions, PanAust's leaders are committed to promoting a culture of Zero Harm. Visible safety leadership is driven at all levels of the organisation. Recognising that a risk-aware workforce is fundamental to achieving strong safety outcomes, behavioural-based safety programs contribute to the Company's remuneration incentives and drive continual safety improvement.

Leading-indicator programs prioritise visible safety leadership and include hazard identifications, job safety observations (JSOs) in the field, workplace inspections, planned task observations (PTOs) and safety training.

PanAust assesses and manages health and safety risks across the Group through its Safety Management System (SMS), which is consistent with ISO 45001. The SMS is based on a continuous improvement model of policy and standard setting; planning; implementation and operation; checking and corrective actions; and management review of performance against the model. The SMS is applicable across the PanAust Group, including all sites and locations where PanAust has operational control. PanAust attempts to influence the health and safety outcomes in locations and for activities outside its operational control (such as the inbound and outbound supply chain) through contractual arrangements and the Company's contractor health, safety, and environment (HSE) standards.

NUMBER* AND PERCENTAGE OF EMPLOYEES AND CONTRACTORS COVERED BY A SAFETY MANAGEMENT SYSTEM (SMS)

Site / Country	Number of employees	Number of contractors	Percentage (%) of employees and contractors
Brisbane head office/Australia	37	7	100
Phu Kham Copper-Gold Operation/Laos	1408	590	100
Ban Houayxai Gold-Silver Operation/Laos	489	227	100
Commercial, Logistics, External Affairs and Business Support functions/Laos/Vietnam/Thailand	1695	328	100
Exploration/Laos	130	235	100
Exploration/Myanmar	9	6	100
Frieda River Project/ Papua New Guinea	16	3	100
Total	3782	1397	100

* Average numbers for 2022

In 2022 the Company continued the review commenced in 2020 of location-specific (Asia) safety standards, with the objective of elevating them to PanAust Group-level safety standards covering material safety risks. By year end, all safety standards had been reviewed and updated to become PanAust level group safety standards applicable across the entire group.

PanAust has seven Cardinal Rules which are clear and simple instructions with which all PanAust employees must always comply. Cardinal Rules focus on those high-risk activities within the mining industry that have historically caused serious harm to people and are applicable to PanAust. One additional location-specific Cardinal Rule applies specifically to work undertaken by employees in Laos and relates to the potential presence of unexploded ordnances (UXO). Given the serious consequences for breaching the rules, the rules must be unambiguous, and all employees trained to fully understand their importance and have the necessary competencies to be able to fully comply.

PanAust's Cardinal Rules include:

1. never operate any mobile equipment while under the influence of alcohol or drugs
2. never operate any mobile equipment unless specifically licenced, trained or properly authorised to do so
3. never maintain any equipment before first rendering it safe by isolation, unless specifically licensed, trained or properly authorised to do otherwise
4. never remove, modify, or bypass a Safety Protection Danger Tag or Lock unless properly authorised to do so
5. never work at heights greater than 1.8 metres unless either the work area is fully guarded to prevent falls or appropriate personal fall protection is worn
6. never enter a designated confined space unless properly authorised
7. never instruct another person to breach a Cardinal Rule.

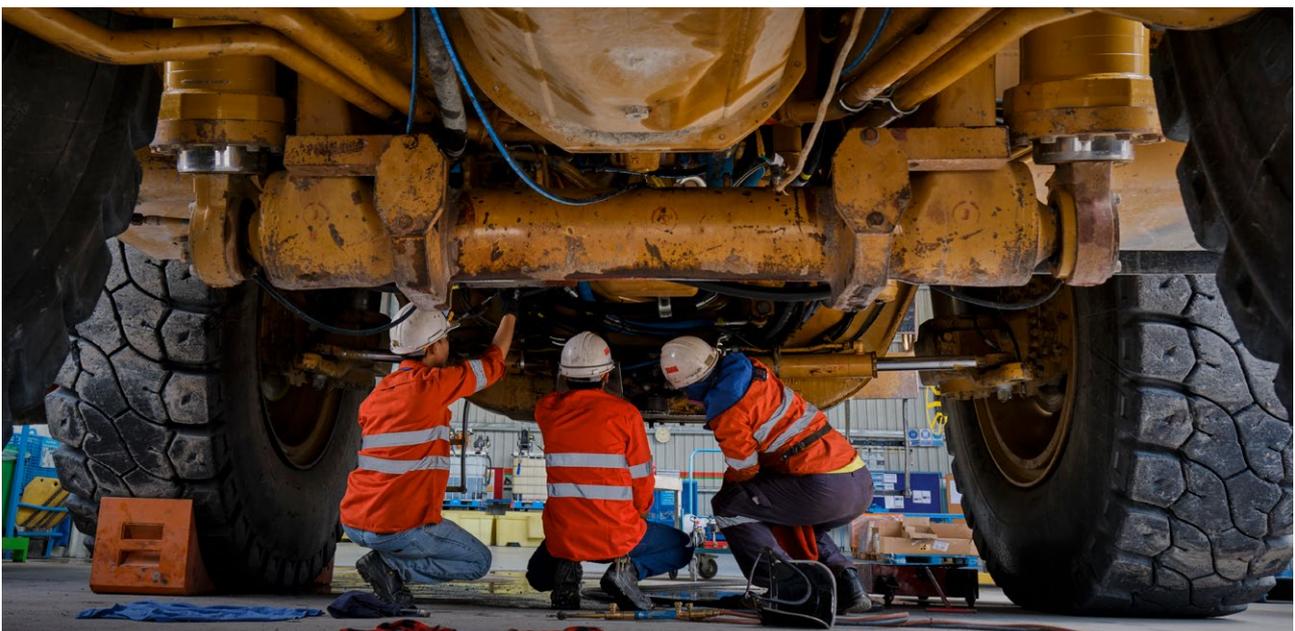
Supplementary Cardinal Rule

1. never handle any item of UXO or related military objects unless qualified/licensed to do so.

The Company requires all employees, contractors, and visitors to undergo a safety induction prior to entering a PanAust-controlled site. The induction may include general safety and workplace-specific inductions as well as hazard identification and Take 5 training. The Company also facilitates several mandatory core safety training programs and specialist training for high-risk activities.



TRAINING NEEDS ARE ASSESSED BASED ON LOCATION AND A PERSON'S ROLE AND ARE PROVIDED FREE OF CHARGE TO EMPLOYEES AND THE CONTRACTOR WORKFORCE. CONTRACTOR ORGANISATIONS ARE CHARGED A NOMINAL FEE FOR NON-MANDATORY TRAINING AND SPECIALIST HIGH-RISK WORK TRAINING.



Mobile maintenance employees carrying out an inspection on the underside of a Cat® 777D—100 tonne rigid chassis dump truck at the Phu Kham Copper-Gold Operation.

THE GENERAL INDUCTION FOR PHU BIA MINING EMPLOYEES AND CONTRACTORS INCLUDES THE FOLLOWING COURSES:

Employee mandatory	Contractor mandatory	Contractor and employee location and role specific
General safety induction	General safety inductions	Open-pit induction
Cardinal Safety Rules	Cardinal Safety Rules	Processing induction
Workplace behaviour	Workplace behaviour	Mobile workshop induction
Fatigue management	Fatigue management	Material Safety Data Sheets
Human rights	Human Rights	Job safety analysis
Hazard identification	Hazard identification	Job safety observation
Take 5	Take 5	Working under a permit to work
New employee induction		Radiation safety awareness
Introduction to Lao/Falang culture		Dangerous goods storage
Fair treatment policy		Safe manual handling
PanAust Vision and Values		Workplace inspections
The PanAust Way		Excavation permit procedure
Geotechnical hazard awareness		Geotechnical hazard awareness
Geotechnical landslide risk management		Geotechnical landslide risk management
		Basic risk management
		Incident investigation
		Exploration safety induction

In Laos, the general induction training is designed and delivered internally by the Phu Bia Mining training department, while other specialist courses are delivered by the relevant specific departments such as the Fire and Emergency Services Department for fire extinguisher training, or by the High-Risk Work Training Department for specialist high-risk work licences. All training is available in both Lao and English.

Basic hazard identification training empowers and encourages the workforce to identify hazards as part of their normal work activities, fix them immediately (if it is within their ability to do so), or report the hazard/s to their supervisor on a 'hazard identification form'. Other processes for identifying hazards associated with a person's work include the Take 5 (also included as part of the general induction), job safety analysis development, workplace inspections, job safety observation and planned task observation processes.

Identified hazards are assessed using the PanAust risk management framework and controls are implemented to either eliminate the hazard in the first instance or to reduce the level of risk associated with the hazard. The hierarchy of controls is used as the basis of determining the most appropriate and effective controls to be implemented. Hazard identification is enshrined in the Company's Zero Harm philosophy outlined in The PanAust Way. The PanAust Way highlights no one is to compromise their own or someone else's safety by carrying out an activity they believe is unsafe. Furthermore, people are empowered to stop real or suspected unsafe activities and are also protected against threats or reprisals for reporting legitimate safety concerns.

In 2022, 27,173 hours of safety inductions and HSE training were completed at PanAust's Operations in Laos—a significantly higher number of hours than in 2021 (19,997 hours), reflecting the shift in contractors coming to site because of relaxed COVID-19-related travel restrictions.

The Company's Group-level Incident Reporting and Classification Procedure is aligned with the MCA's guidelines for tracking and reporting health and safety statistics. The procedure outlines the process for the notification, investigation and reporting of incidents. PanAust uses the incident cause analysis method to determine the root cause of significant incidents (that is, actual or potential controlled incidents and/or actual or potential influenced incidents) and determine where corrective actions need to be undertaken to prevent recurrences of the incident.

The investigation and management of significant incidents is overseen by senior managers with operational oversight. Their role is to ensure the group-wide implications of significant incidents and any emerging safety concerns are given appropriate consideration and action as part of the investigation.

This approach ensures findings and recommendations are shared across the group when similar activities occur, or where different activities with similar risks occur. These findings are not limited to the incident and the affected people only.

PanAust's annual Safety Summit of senior management, managers and superintendents from both corporate and operational areas, high-potential employees, contractors and invited peer companies and safety specialists was postponed in both 2020 and 2021 due to the COVID-19 pandemic. The Company reconvened the Summit in 2022 to progress safety leadership programs from prior years that were unable to be progressed due to COVID related restrictions and to identify new emerging issues and safety hot spots for the business and refresh the Group action plan. See page 25 for further details.

Other forums in place across the Group for communicating health and safety issues with the workforce include quarterly contractor workshops, monthly health and safety committee meetings and weekly toolbox meetings (convened by and held with site-based operational teams).



DURING 2022, INDIVIDUAL DEPARTMENTS HELD 3,698 HEALTH AND SAFETY-RELATED TOOLBOX MEETINGS AND 21 HEALTH AND SAFETY COMMITTEE MEETINGS WITH THEIR WORKFORCE.

Seven contracting companies attended the Company's only contractor workshop. The usual program of quarterly workshop was not run due to COVID-19-related travel restrictions at the start of the year.

PanAust's Operations in Laos and the Frieda River Project site are in remote areas where there is limited government infrastructure or systems to deal with complicated or severe medical emergencies. The Company's ability to manage medical emergencies is therefore vital to ensuring the health and safety of its employees and host communities. The Phu Kham, Ban Houayxai Operations and the Frieda River Project site are equipped with medical (including trauma management) clinics staffed by doctors and/or paramedics.

The trauma management clinics also undertake a range of occupational health services for the site-based workforce including health-related education and provide emergency services to the host communities.

Each Operation in Laos has dedicated occupational health and hygiene (OHH) teams. Services carried out by these teams include pre-employment medical checks, functional assessments, drug and alcohol testing, medical consultations for non-work-related health issues and education programs relating to alcohol and drug awareness, paediatric health, family planning and good personal hygiene practices.

In 2022, the Phu Bia Mining OHH team reintroduced the PBM OHH monitoring program at the two Operations and support sites. Relevant OH sampling activities were prioritised based on perceived level of OHH risks.

A COVID-19 wastewater sampling and analysis program was implemented in 2022 to monitor the health of the camp population and stop the spread of COVID-19 to. COVID-19 wastewater sampling and analysis is ongoing and conducted quarterly at both camps and operational sites.

Each Operation has in place an emergency response plan and trained, dedicated professional fire and emergency services teams and equipment. Teams complete training modules equivalent to an Australian Certificate III in Mines Emergency Response and Rescue.

PanAust has a well-established crisis management structure to deal with the strategic response and management of Company-wide impacts during a crisis. The system is tested regularly to ensure that team members are proficient in their roles. For more information about the Company's crisis management frameworks, see page 30.

SAFETY PERFORMANCE

PANAUST'S TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR) CONTINUES TO BE SIGNIFICANTLY BETTER THAN GLOBAL INDUSTRY⁸ AVERAGE. IN 2022, PANAUST ACHIEVED A LOST TIME INJURY FREQUENCY RATE (LTIFR) OF 0.07 DUE TO ONE LOST TIME INJURY (LTI).

This rate is significantly lower than the Company's LTIFR target of 0.15. PanAust's 2022 TRIFR of 0.89 while higher than the annual target of 0.81 is still substantially lower than industry peers.

PanAust's TRIFR has been trending downwards since 2012 until this year, when TRIFR increased to 0.89 due to 13 total recordable injuries (TRIs). Despite the increase in 2022, the long-term downward trend is particularly commendable given the Company's increasing risk profile including entry into Papua New Guinea and Myanmar and extending the in-house management of concentrate haulage into Vietnam.

In 2022, the total recordable injuries (TRIs) for employees rose from three in 2021 to 13 in 2022. For all work-related injuries in 2022, the main areas of the body injured included hands/fingers at 38 per cent, hips/legs at 11 per cent and feet/toes at 11 per cent.

In 2022, the most common work-related injuries for both employees and contractors were lacerations (44%), sprains and strains (12%), abrasions (12%) and contusions. These injuries accounted for 68 per cent of all work-related injuries throughout the year. Bio-mechanical products and hand tools (non-powered) contributed to 24 per cent of incidents while other objects, items, substances, materials or structures contributed to 24 per cent of known incidents.

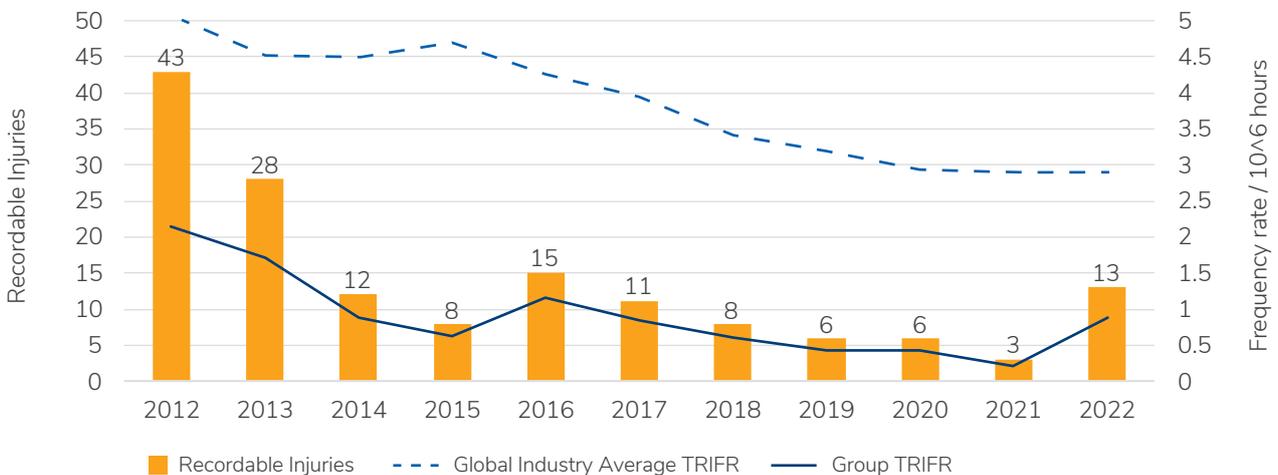
Of the 13 more severe recordable injuries, 70 per cent of those were to lacerations to the hands/fingers from hand tools.

Despite these figures showing continued safety performance in the PanAust Operations it is with great sadness that PanAust reports the tragic death of a child from the Nam Gnone Village local to Phu Kham in a road accident involving a PanAust light vehicle.

A thorough internal investigation and the police investigation determined that the driver was not at fault. Nevertheless, PanAust has worked closely with the local community to make sure everyone in the community is safe on local roads, including diverting site traffic around the village and training the children in road safety.

Apart from the COVID-19 global pandemic, the main occupational illness risk for employees and contractors is malaria. This is consistent with the site risk registers where infectious diseases such as dengue fever and malaria are identified as a risk to health. In 2022, there were no cases of occupational illness recorded across the Group. This can be attributed to actions undertaken in both PNG and Laos to control vector sources. Actions included the removal of containers from around site to prevent accumulation of standing water, mosquito fogging of camp facilities, use of Permethrin-treated mosquito nets and laundering clothing on-site with a Permethrin treatment.

PANAUST SAFETY COMPARED TO INDUSTRY



⁸ Industry average referenced from the ICMM report, Safety Performance: Benchmarking Progress of ICMM Company Members in 2022.

PANAUST GROUP REPORTABLE INCIDENTS (CONTROLLED WORK SITES)*

	2020	2021	2022
Employees			
Working hours	10,813,663	10,659,029	11,374,295
Fatalities	0	0	0
Fatal Injury Frequency Rate (FIFR)	0.00	0.00	0.00
High consequence work-related injuries**	0	0	0
High Consequence Frequency Rate (HCFR)	0.00	0.00	0.00
Total recordable injuries	3	3	10
TRIFR	0.28	0.28	0.88
Lost time injuries	0	2	0
LTIFR	0.00	0.19	0.00
Occupational illness	0	0	0
Contractors			
Working hours	3,260,767	3,072,609	3,227,172
Fatalities	1	0	0
FIFR	0.31	0.00	0.00
High consequence work-related injuries	1	0	0
HCFR	0.31	0.00	0.00
Total recordable injuries	3	0	3
TRIFR	0.92	0.00	0.93
Lost time injuries	1	0	1
LTIFR	0.31	0.00	0.31
Occupational illness	0	0	0
Combined employees and contractors			
Working hours	14,074,430	13,731,638	14,601,467
Fatalities	1	0	0
FIFR	0.07	0.00	0.00
High consequence work-related injuries	1	0	0
HCFR	0.07	0.00	0.00
Total recordable injuries	6	3	13
TRIFR	0.43	0.22	0.89
Lost time injuries	1	2	1
LTIFR	0.07	0.15	0.07
Occupational illness	0	0	0

*Controlled work sites include data for both employee and contractor injuries and workhours; injury rates are the number of injuries for every million hours worked for the year

**High consequence work related injuries are injuries where the worker, cannot, does not or is not expected to recover to their pre-injury health status within six months.

PanAust's recordable statistics include controlled activities and cover all work-related activities where PanAust can set safety, health, environmental and community standards and directly supervise and enforce their application. The statistics include contractors working at PanAust-controlled sites. All activities on PanAust-owned or leased sites, regardless of who is carrying out the works, is classified as controlled activities.

Categories that are tracked, but do not form part of externally reported statistics, include influenced and monitored activities where PanAust does not have direct control over the activities but recognises these activities carry a high risk of exposure to injuries or incidents to PanAust employees, contractors or to members of the public exists. For influenced activities, PanAust requires contractors to have sufficient management structures and systems in place and to directly supervise the works as outlined in contract conditions and contractor management activities. PanAust also provides additional oversight of influenced activities through regular audits and site visits.

Monitored activities are like influenced activities but the level of risk exposure to injuries or incidents to PanAust, contractors or members of the public is lower. Monitored activities require contractors to have sufficient management structures and systems in place to directly supervise works as outlined in contractor conditions and contractor management activities however the level of oversight and auditing by PanAust may be less frequent.

CATEGORIES OF CONTROL

CONTROLLED

All work conducted by employees, visitors, consultants, and contractors on an active PanAust-owned or leased site including Operations, private easement, and exploration sites irrespective of whether PanAust or the contractor provides direct supervision of work activities (PanAust sets standards, has a high level of workplace visibility, provides oversight, and monitors outcomes).

All locations external to a PanAust-owned or leased site where PanAust employees directly supervise or conduct work transport of the workforce on a public road is considered controlled where the work is performed by a PanAust employee or an appointed contractor on a private charter arrangement exclusively on PanAust's behalf all product transport via PanAust operated and maintained vehicles-controlled incidents are reported internally as well as included in PanAust statistics.

INFLUENCED

Work conducted in either public or private locations, external to controlled sites, where PanAust influences the contractor's standards but requires the contractor to have sufficient management structures and systems in place to directly supervise the work to an agreed standard (outlined through the contract). The contractor's work at these sites is undertaken exclusively on PanAust's behalf on a site where higher-risk exposure exists (either to PanAust or the public) and the reputational exposure is too great to consider the contractor as monitored.

A site that provides additional oversight through regular auditing and contract owner visibility in the workplace to ensure the work practices being implemented consistently address the nature of the risk the contractor creates for PanAust.

Haulage of PanAust product and public road maintenance performed by a third-party contractor on a dedicated contract for PanAust. in the host country of operation.

Contractors (controlled and influenced) providing a private transport service to their own workforce (from a host community to a PanAust Operation or site).

Contractors transporting high-risk dangerous goods (in bulk) on PanAust's behalf influenced incidents are reported internally as well as included in PanAust statistics.

MONITORED

Sites in public or private locations and external to controlled sites where PanAust monitors the contractor's performance but requires the contractor to have sufficient management structures and systems in place to directly supervise the work to an agreed standard with minimal contract owner presence.

Offsite work may only be designated as monitored where a lower reputational risk exposure exists.

Haulage of PanAust product external to the host country of operation monitored incidents are reported internally but are not reported in PanAust statistics.

UNCONTROLLED

Activities where PanAust has no influence (commercial public transport services) beyond the ability to select the provider based on performance. Any uncontrolled incidents are not reported in PanAust statistics.

The most common work-related hazards included light vehicle incidents, heavy vehicle incidents, isolation and lockout incidents and ground control incidents. This list has been compiled by reviewing the risk registers from across the Group for hazards with a high-risk rating and from actual incidents where there was a potential for a high consequence injury to occur.

A key area of increased risk for the Company is the volume of third-party trucks on the ADB9 road in Laos. The ADB9 road is the main logistics route for the transport of personnel and consumables to, and the export of, copper concentrate from the Phu Kham Operation.

There has been a significant increase in usage of the ADB9 road over the last two years, with third-party truck movements up to at times around 200 movements per day. This significant increase has resulted in the following issues:

- frequent road blockages
- degradation of the ADB9 road surface
- numerous near misses with Phu Bia Mining vehicles
- road accidents with Xaisomboun public being involved.

There have been many engagements with the Xaisomboun provincial government and the third-party companies to try and address the issues in an equitable manner and further work is continuing in 2022 to reduce the risk to the Company from the increased volume of traffic on the ADB9 road.

CASE STUDY—ADB9 RISK REDUCTION ACTIVITIES

During the safety summit held in June 2022, the road conditions on the ADB9 haulage route and the driver behaviours of 3rd party users posed a significant risk to Phu Bia Mining haulage and employee transport. Subsequently the PBM logistics team developed a 2 staged approach to reduce the risk to employees and haulage activities.

Stage 1 involved short term actions to address some immediate concerns and included:

- Engaging with the Ministry of Public Works and Transport to supply additional personnel at the weigh bridge on the ADB9 road near the Phu Kham Operations to facilitate weighing all third party trucks to ensure compliance with weight restrictions.
- Installing signage along the ADB9 road at identified hot spots, including 'No Overtaking' and 'Reduce Speed' signs.
- Engaging with the local police to provide escorts for all Phu Bia Mining transport convoys, increase patrols along the haulage route and to enforce unsafe driving behaviours.

Stage 2 involved longer term actions to eliminate up to 80 percent of employee transport along the ADB9 road by implementing a mass transit ferry service on the Nam Ngum 2 reservoir between the Phu Kham and Ban Houayxai Operations. Actions to achieve this included:

- review of passenger movement numbers
- investigation of mass transport of PKM staff by boats via BHX and provide recommendations to the CEO
- engage the market for supply of large 50-person capacity passenger ferries and floating pontoons
- engage the Phu Bia Mining infrastructure and road maintenance team to carry out civil works at the BHX and PKM ports.

A trial run for transferring the PKM 9/5 roster crew in jet boats via BHX was successfully completed in early October 2022. The trial identified that the proposed schedules identified during the planning phase were achievable, with each full leg completed in 5 hrs and 15 minutes, which then allowed for a complete return trip to be completed in a day. These schedules are also consistent with the current travel times for crews travelling along ADB9.

In November 2022 all PKM 9/5 roster crews used the new transport route utilising the existing small jet boats while the larger ferries were sourced. It is expected that the large capacity ferries will commence operations during 2023.

CONTRACTOR MANAGEMENT

THE COMPANY WORKS CLOSELY WITH LOCAL CONTRACTORS WITH LITTLE TO NO MINING EXPERIENCE TO IMPROVE THEIR SAFETY CULTURE. THIS APPROACH IS NOT WITHOUT CHALLENGES AND CONTRACTOR MANAGEMENT CONTINUES TO BE A HIGH-RISK EXPOSURE AREA.

While there were no high consequence contractor injuries in 2022, the Company remains vigilant of the safety risks in this area and continues its focus on closing gaps in its contractor workforce's safety performance.

PanAust has a Group Contractor Management Standard that details health, safety, and environmental requirements for contractors and PanAust contract owners. The Company works with contractors to help them meet the requirements of the Standard by providing templates and direct access to supporting documentation on the Company's intranet and file-sharing sites.

PANAUST'S CONTRACTOR EXPECTATIONS ARE REINFORCED THROUGH TRAINING FOR CONTRACT OWNERS AND SUPERINTENDENTS ON HOW TO IMPLEMENT THE STANDARD.

Contractors are subject to regular audits of their facilities and activities. These audits involve a review of contractor risk registers, training programs and site compliance to safety management systems. In 2022, 10 audits of contractor HSE awareness were conducted. Audits are scheduled for the year ahead to ensure proactive management of contractor performance. A key element of these audit is the inclusion of PanAust's contractor managers to consolidate their training and build stronger relationships with their contractors.

PanAust also supports Lao contractors by embedding maintenance and safety staff within larger long-term local contractor facilities that directly support the Operations. This approach has been in place for several years with encouraging outcomes—contractors have improved their maintenance practices and safety performance and focused on completing quality positive performance indicators. While the Company was unable to continue these activities in 2021 due to COVID-19 constraints, it introduced a training and certification scheme for mobile maintenance contractors in Phonsavan, which enables high quality local services to be delivered to regional PanAust exploration teams.

In 2022 PanAust invested almost US\$135,000 into various new workshops and upgrading of contractor facilities located on PanAust sites. The majority of upgrades in 2022 focused on contractor mobile maintenance facility upgrades at the Ban Houayxai Operations.

In Laos, PanAust conducts quarterly contractor safety workshops as a forum for constructive two-way dialogue with PanAust's contractors. These workshops help contractors to determine their position on the safety spectrum and identify ways to improve their organisational safety culture. The workshops also provide an opportunity for PanAust to better understand the issues impacting contractor safety performance and how the Company can help them manage and mitigate these issues.



A Komatsu contractor assisting with maintenance work on a Komatsu PC500 excavator at the Ban Houayxai Gold-Silver Operation Mobile Maintenance workshop.

FITNESS FOR WORK

THE MINING INDUSTRY IS AN INHERENTLY HIGH-RISK BUSINESS. A SIGNIFICANT RISK IS ASSOCIATED WITH THE OPERATION OF HEAVY EQUIPMENT BY A WORKFORCE WORKING LONG ROSTERS AND SHIFTS. ENSURING PANAUST'S SITE-BASED WORKFORCE IS FIT FOR WORK IS CRUCIAL TO HELPING PREVENT WORK-RELATED INJURIES.

Being 'fit for work' means a person is physically and mentally able to carry out their work in a way that will not impact the safety of themselves or others. Fatigue, excessive alcohol use, drug use and unreported injuries or illnesses impact a person's fitness for work and pose risks to the safety of the workforce.

The workforce and site visitors have an interest in how fitness for work is managed due to the potential impacts on their own safety in the workplace. To help mitigate this risk, PanAust has robust processes in place, including the Group Safety Standard—Fitness for Work. The Standard outlines the minimum safe work requirements at PanAust sites and the programs that support these requirements. Additionally, the Company has an Injury and Incident Free (IIF) Program in Laos that covers fitness for work and illustrates how existing safety systems and tools are interlinked and when applied correctly, minimise the potential for harm to people and the business.

The Company has a strict drug and alcohol policy that is mandatory for employees and contractors. This includes zero tolerance for illegal drug use, a 0.00 blood alcohol content (BAC) at all operational and exploration sites and a random drug and alcohol testing program. There is a process in place for the declaration of prescription medications staff may be taking and ample ability for self-testing of BAC prior to arriving at the workplace. Despite these controls, in 2022, there were 2 positive drug tests from 7035 tests and 24 breaches of the 0.00 BAC policy.

All injuries and illnesses must be reported to the Company's medical clinics regardless of whether the person was injured at work, in one of the camp locations or while a person is on break. The Medical teams are then able to determine a person's ability to carry out their work duties in a safe manner. To encourage this reporting, the Company's has 24-hour medical clinics at its Operations in Laos and 24-hour access to medical support at its Frieda River Project site. Staff are encouraged to present at the clinics for free private consultations and treatment whenever they are feeling unwell. In 2022, there were 22,319 medical consultations in Laos and 849 medical consultations in PNG.

Managing fatigue is a critical aspect of being fit for work. PanAust has in place a comprehensive fatigue management system that includes the Group Fatigue Management Standard that covers the following topics:

- fatigue risk assessments
- roster and work hour oversight
- work and workplace design
- travel and transport assessments
- accommodation, food and recreation facility assessments
- education and information provision to the workforce.



IN 2020 THE COMPANY ROLLED OUT THE CATERPILLAR DRIVER SAFETY SYSTEM (DSS) ACROSS ITS 777D MINE FLEET AT THE PHU KHAM AND BAN HOUAYXAI OPERATIONS AND TO ITS CONCENTRATE HAULAGE FLEET IN 2021.

The aim of this system is to identify operator fatigue prior to a fatigue related event occurring and in the first year of operation resulted in a 62 per cent reduction in fatigue events. During 2022 only 2 fatigue incidents were recorded throughout the year across the company. Both occurred in PKM in the mining sector.

SECURITY MANAGEMENT

PANAUST IS A MEMBER OF THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS (VPSHR) AND HAS IMPLEMENTED CLEAR GUIDANCE AND PROCEDURES TO MANAGE THE HUMAN RIGHTS ASPECTS OF SECURITY AT ITS OPERATIONS AND PROJECTS.

With the Company's ongoing presence in Laos, PNG, and Myanmar, PanAust's existing security processes, procedures and training will continue to be monitored for effectiveness and tailored to these jurisdictions.

PanAust has security staff assigned to its Operations in Laos. The Phu Kham and Ban Houayxai Operations are situated in Xaisomboun Province, which was historically the location of insurgent activities, arising from remnants of the Indo-China conflicts of the 1970s. While now stable, legacies of conflict remain. At times, regional security incidents have occurred near the Operations and around exploration sites. Periodically these incidents have resulted in temporary restrictions on operational and logistics activities.



STRICT SECURITY PROTOCOLS ARE ESTABLISHED BY THE COMPANY TO PRE-EMPT, AND WHERE REQUIRED, RESPOND TO OCCASIONAL REGIONAL SECURITY ISSUES.

Following the 2020 review of security protocols to ensure their currency for the Laos Operations and incorporate COVID-19 management during remote escort activities, PanAust continued the early and proactive initiation of these protocols. The protocols progressively restrict unnecessary remote work activities, workforce movements and operational activities based on proximity to operational areas and several risk factors. This is aimed at minimising the need for further response and/or the potential for conflict to impact the workforce.

The Lao People's Army (LPA) is required by the Government of Laos to have a presence at PanAust's Operations in Laos. In 2022, approximately 206 LPA personnel were assigned to Phu Kham and Ban Houayxai. The LPA's role is to support regional security external to PanAust's active working areas. They may also provide a presence alongside selected logistics routes and at Company exploration assets due to their criticality and/or vulnerability. This includes providing security escorts for remote work and along higher risk sections of the Company's transport and logistics route.

The Company works closely with the LPA through a Memorandum of Understanding (MoU) which outlines the Company's expected standard of behaviour and use of force expectations.

Prior to their deployment to the Company's sites and each time they are subsequently engaged, members of the LPA are required to complete a Company-provided induction program. The induction covers safety, the use of force as it relates to the laws of Laos, key components of the VPSHR underpinned by The PanAust Way, the Company's Values, and other behavioural guidelines.

The Company's Loss Prevention team perform unarmed access control, static security, and emergency response functions at its Phu Kham and Ban Houayxai Operations. Loss Prevention staff and contractors are required to complete training covering the VPSHR and appropriate use of force. The entire Loss Prevention team attended this training in 2022.

In 2022, 511 LPA and Loss Prevention employees and contractors completed the VPSHR training through their induction program.

VPSHR TRAINING

Laos People Army (LPA)	Loss Prevention Department (LPD) and Private Security	Total
206	262 LPD and 43 Private Security	511

2022 continued the downwards trend year-on-year in reported security incidents across the Company's Lao sites, with the lowest total annual incidents in eight years and no significant security incidents affecting the PanAust workforce or Operations recorded.

The Phu Kham Mine LPA continues to engage and pay incentives to local communities to construct, maintain and patrol fences at the site that exclude unauthorised entry to active mining areas.



An employee walking through the processing plant at the Phu Kham Copper-Gold Operation.

In 2022, the Company:

- Conducted a risk assessment and undertook management of change in relation to remote travel and security escort procedures.
- Identified how socio-economic development around the Phu Kham Mine Operation and wider Xaysomboun Province has had a flow on effect. There has been no reported external serious security incident for the last four years. The requirement for armed security escorts for routine day time travel between PKM and the LCT and Nam Ve Exploration Bases; and routine day time travel for the Community Relations Team working closely with the government at Xaysomboun has been removed.
- Appointed the Phu Kham Mine Loss Prevention Department Superintendent as the principal person in charge of the Phu Bia Mining artisanal mining strategy.
- Assigned three members of the Loss Prevention Department Team to permanent duty at Phonsavanh to monitor illegal mining activity in the Xiengkhuang Province. The LPD team at Phonsavanh have been working closely with Provincial Government, the Ministry of Public Security and the Phu Bia Mining Community Relations Team to mitigate risks from illegal mining at the Ban Choy prospect.
- Embedded LPD guards and team leaders as well as two LPA contingents with the Mine Development teams at the Ban Houayxai Extension project. The LPD teams are responsible for security functions during further mineral resource development and the mine development phase at Ban Houayxai Extension.
- Was unable to carry out the Ban Houayxai electronic security upgrade. This project is expected to be delivered by a joint work group during 2023. This will include a full electronic security upgrade for the entire BHX mine site.
- Successfully completed quarterly internal gold room audits without any serious concerns highlighted.
- In Papua New Guinea, private security contractors are used on an ad hoc basis as required. All security companies used in Papua New Guinea are assessed for their ability to meet the PanAust requirements and commitments to the VPSHR. An MoU with the Royal PNG Constabulary that addresses the Company's obligation to the VPSHR is in place. The security and human rights risk assessment for the Frieda River Project was updated in 2022.



Senior firefighter Kongvang Xaimouayouathor carrying a firehose.

OUR PEOPLE

PANAUST ACKNOWLEDGES AND VALUES ITS MULTICULTURAL WORKFORCE AND THE SIGNIFICANT CONTRIBUTION ITS PEOPLE MAKE TO ITS CONTINUED SUCCESS.

PanAust's materiality process identified the main workforce focus areas for 2022 as:

- Training and development.
- Workplace diversity.

In 2022, this was highlighted in the work the Company delivered through its people development commitments and programs throughout the year. The Company continues to actively encourage diversity and inclusion during the year and has robust programs in place to support gender diversity.



THE COMPANY REMAINED COMMITTED TO ITS LOCALISATION STRATEGY THROUGHOUT 2022, IN ACKNOWLEDGEMENT OF THE BENEFITS IN DEVELOPING A SKILLED WORKFORCE THAT CAN CONTRIBUTE TO NATIONAL ECONOMIC GROWTH POST-CLOSURE, BRINGING LONG-TERM LASTING POSITIVE LEGACIES.

Training and development also remained a priority focus area, continuing key training programs to facilitate the attraction, engagement, development, and retention of a skilled workforce. The Company publishes and communicates a full suite of policies, standards and guidelines that provide employees with information about the practical application of the Company's Vision and Values. This includes an Employee Policy and The PanAust Way.

The Employee Policy and The PanAust Way, HR-related standards, inductions, training programs and the performance management cycle (including the annual employee development plan), help employees understand their responsibilities when working for PanAust. They also provide employees with an understanding of the Company's expectation of their behaviour when interacting with other employees and external stakeholders.

During 2022, as conditions continue to return to normality after the COVID-19 pandemic, PanAust's workforce numbers remained stable across its regional workforces; with the Laos workforce being the exception, seeing an increase in both its employee and contractor numbers.

EMPLOYEES BY WORK LOCATION AS AT 31 DECEMBER 2022

Region	Total workforce	Total employees	Full time		Part time		Permanent		Fixed term		Casual	Total contractors
			Male	Female	Male	Female	Male	Female	Male	Female		
Australia	34	27	19	8	0	0	17	8	2	0	0	7
Laos	5,544	3,788	3,004	784	0	0	2,880	728	124	56	314	1,442
Myanmar	20	14	10	4	0	0	0	0	10	4	0	6
Papua New Guinea	30	27	22	5	0	0	22	4	0	1	0	3
Thailand	24	24	16	8	0	0	7	7	9	1	—	0
Vietnam	2	2	1	1	0	0	1	1	0	0	—	0
Chile	1	0	0	0	0	0	0	0	0	0	0	1
Total	5,655	3,882	3,072	810	0	0	2,927	748	145	62	314	1,459

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

	Total	%	Gender		Age group >30		Age group 30-49		Age group 50 and over	
			Male	Female	Male	Female	Male	Female	Male	Female
Employee new hires										
Australia	11	0.26	10	1	0	0	7	1	3	0
Laos	453	10.80	367	86	202	75	158	11	7	0
Myanmar	0	0.00	0	0	0	0	0	0	0	0
Papua New Guinea	7	0.17	6	1	0	0	2	0	4	1
Thailand	1	0.02	1	0	1	0	0	0	0	0
Vietnam	0	0.00	0	0	0	0	0	0	0	0
Total Group Employees new hires	472	11.25	384	88	203	75	167	12	14	1
Total Group Employee hiring rate (%)	11.25	—	12.50	10.86	6.61	9.26	5.44	1.48	0.46	0.12
Employee Turnover										
Australia	19	0.45	15	4	0	0	8	4	7	0
Laos	241	5.74	186	55	43	35	119	18	24	2
Myanmar	1	0.02	1	0	1	0	0	0	0	0
PNG	4	0.10	2	2	0	0	0	1	2	1
Thailand	3	0.07	1	2	1	2	0	0	0	0
Vietnam	0	0.00	0	0	0	0	0	0	0	0
Total Group Employee turnover¹	249	5.93	190	59	45	37	119	19	26	3
Employee turnover rate (%)	5.93	—	6.18	7.28	1.46	4.57	3.87	2.35	0.85	0.37

¹Includes voluntary and involuntary turnover

TRAINING AND DEVELOPMENT

TRAINING AND DEVELOPMENT PROGRAMS OFFERED BY PANAUST CONTRIBUTE TO THE COMPANY'S LONG-TERM GOALS AND DIVERSITY OBJECTIVES AND ARE CONSIDERED AS A MECHANISM THAT SUPPORTS EMPLOYEE ATTRACTION, ENGAGEMENT, CAREER DEVELOPMENT, AND RETENTION STRATEGIES.

ANNUAL EMPLOYEE COMPETENCY TRAINING

A core element of the Company's training and development strategy is its annual employee competency training. This training covers key skills for employees based at site and focuses on technical, leadership, role-specific, and health and safety skills.

The completion of this training is mandatory, and employees must complete all training prescribed to them annually to ensure they are able to perform their roles safely and effectively. The Company regularly reports on completion of these annual training programs.

PanAust made improvements to its online training content during the COVID-19 pandemic, which has continued in 2022. This online delivery mode facilitates timely employee access to training that is relevant to their needs, significantly reducing the time and resources required to take workers offsite for face-to-face training and allowing self-paced completion of training modules.

A total of 179,515 hours of training was delivered in 2022, a significant increase in training hours up from 103,612 in 2021. This represents an average of 42 hours of training per employee in 2022.

2022 TRAINING BY TYPE

Training type	Hours delivered
Clerical and general work skills	27,737
High risk work, mining, processing and mobile maintenance skills	68,857
Inductions and health, safety and environment	27,173
Leadership development	8,814
Professional and technical skills	10,404
Trades and engineering skills	36,530
Total hours of training	179,515

ANNUAL EMPLOYEE DEVELOPMENT PLAN

A significant part of the Company’s training and development strategy is the annual employee development plan.

The annual process is designed to ensure employees in leadership roles have clear and actionable performance goals set for the year.

Managers and employees agree to goals at the commencement of the calendar year and meet periodically throughout the year to review performance before an employee is awarded a final evaluation score at the end of the calendar year.

The performance outcomes from this plan are directly linked to the payment of employee’s short-term incentive bonuses and annual salary reviews.

SUPERVISORY SKILLS TRAINING PROGRAM

PanAust has established programs to develop an internal talent pipeline to support future Company growth and build a sustainable workforce.

Throughout 2022, the in-house training team in Laos focused on ensuring that high-potential Lao employees and team leaders completed the Supervisory Skills Training Program in addition to applicable technical/trades/engineering training relevant to their discipline.

The Supervisory Skills Training Program is designed to support employees transitioning into more senior roles by providing existing team leaders, supervisors and high-potential employees with the training required for success in frontline leadership roles. Currently offered to Phu Bia Mining employees, the course—delivered in English and Lao languages—comprises 10 modules covering topics such as: leading work teams, performance counselling, problem-solving, conflict resolution, communication, and delegation techniques.

Participants complete structured training across 10 discrete training courses on topics such as managing performance reviews and time management. In February 2023, a graduation and recognition ceremony was held for more than 100 graduates from 2021 and 2022. Most of these graduates were PanAust employees, with more than 10 of them female. Some contractors and port operations personnel also graduated.

Inviting and encouraging Lao-national women to participate in the Supervisory Skills Training Program continues to be a priority for the business. Since inception, more than 200 women have graduated from the Program.

ACCELERATED TRADES TRAINING APPRENTICESHIP PROGRAM

In 2022, the Company continued the accelerated pathway Trades Training Apprenticeship Program in Laos designed to compress the time required to complete appropriate certification from five to three years while maintaining training quality and outcomes. The intent of the accelerated program is to have new tradespeople available for the Company prior to mine closure. Apprentices are engaged across five key trade vocations, achieving recognised trade qualifications in Metal Fabrication and Welding, Fitting and Machining, Electrical, Automotive Electrical and Commercial Road Transport Automotive Mechanical.

There was no intake of new apprentices in 2022, however the program continued with the apprentices who commenced in 2019, that are yet to graduate. The apprenticeship program was delayed due to closures of the technical college that apprentices attend in Vientiane during the COVID-19 pandemic. The 43 apprentices from the 2019 cohort will graduate in 2023, rather than 2022 due to six months of COVID lockdowns in 2022 reducing the hours of training delivered.

Upon successful completion of the Program, participants graduate with an Australian TAFE Certificate III trade qualification in their chosen discipline, a Lao Higher Diploma of Technical Trade Studies, and a Certificate of Technical English.



SINCE THE INCEPTION OF THE APPRENTICESHIP PROGRAM IN 2013, A TOTAL OF 69 APPRENTICES HAVE GRADUATED FROM THE PROGRAM, INCLUDING 56 MEN AND 13 WOMEN.



Phu Bia Mining apprentice candidates undertaking aptitude tests.

LOCALISATION AND REGIONALISATION STRATEGY

PanAust remains focused on the localisation of its workforce.

The term 'localisation' refers to the transition of a position previously held by an expatriate employee, to a host nation employee. The strategy enables national employees to increasingly operate, maintain and manage the Company's Operations and Projects. This has the added benefit of meeting one of PanAust's long-term legacy objectives to develop a skilled workforce that can continue to participate in, and help grow, the national economy post-closure.

The strategy relies on the training and development of Lao-national employees to meet the requisite skills and

competencies required to perform a role to the desired level. It links into the annual workforce planning process which predicts workforce numbers and identifies expatriate positions targeted for localisation.

In 2022, localisation in Laos remained at similar levels to prior years increasing slightly to around 93 per cent. This remains close to the highest level of localisation the Company has ever reported and demonstrates the success of the systems and programs in place and the ongoing commitment to its localisation objectives.

While the intent is to continue to increase the localisation percentage annually, given the size of the business and most of the remaining non-localised roles are highly specialised in nature, further increases will be challenging.

BREAKDOWN OF EMPLOYEE SOURCE BY ROLE CATEGORY (PHU BIA MINING) 2022

	Expatriates (%)	Total Lao (%)
Executives	100	0
Management	61	39
Supervisory/professional	14	86
Experienced/Qualified Skilled Labour	1	99
Skilled Labour	0	100
Semi-Skilled Labour	0	100
Unskilled Labour	0	100
Total	7	93

The Company also continues to see a year-on-year improvement in the number of Lao-national employees in supervisory, professional and management roles, as outlined in the below table.

LAO NATIONAL EMPLOYEES IN SENIOR ROLES

	2020	2021	2022
Number of Lao-national employees in management positions Stratum 2 and 3	61	75	79
Number of Lao-national employees in supervisory/professional positions Stratum 1E and 1F	733	786	854

In 2022 the Company maintained its focus on transitioning professional, leadership, and management roles to Lao employees, with a total of 693 Lao-national employees promoted (a large increase on both the 2021 (428 promotions) and 2020 results (441 promotions)). Notably, 110 were promoted to senior technical or team leadership roles, 11 were promoted to superintendent level and one was promoted to manager level.

At the Frieda River Project site, all roles are filled by Papua New Guinea-national employees.

The fact the Company has met or exceeded operational and sustainability targets since 2015 with a decreasing expatriate workforce, reinforces the view that PanAust's employee development programs are working. It provides confidence that this approach will achieve similar results in new jurisdictions.

WORKPLACE DIVERSITY

PANAUST RECOGNISES THAT A DIVERSE WORKFORCE BRINGS A WIDE RANGE OF PERSPECTIVES AND EXPERIENCES WHICH ENABLES BUSINESS IMPROVEMENT AND DRIVES COMPANY SUCCESS. PANAUST CREATES AN INCLUSIVE ENVIRONMENT WHERE EMPLOYEES ARE TREATED FAIRLY, CAN DEMONSTRATE THEIR POTENTIAL TALENT AND ARE REWARDED BASED ON MERIT.

The Company pays particular attention to gender diversity to meet strategic objectives, as well as commitments to relevant legislation in host countries.

Workplace diversity is promoted and supported at PanAust with policies and standards including the Employee Policy and the Diversity Standard. Both are readily available to employees on the Company's intranet and website. All new employees receive an introduction to the Policy and Standard during their induction. The PanAust Way also emphasises behavioural expectations that underpin diversity in the workplace.

WORKFORCE STATISTICS THREE YEARS TO 31 DECEMBER 2022

PanAust Group	2020	2021	2022
Full-time employees (permanent, fixed term)	3,644	3,648	3,882
Women	745	770	810
Women as a percentage of the PanAust workforce	20.4	21.1	20.9
PBM	2020	2021	2022
Full-time employees (permanent, fixed term)	3,535	3,544	3,788
Women	713	739	784
Women as a percentage of the PBM workforce	20.2	20.8	20.7
Frieda River Project	2020	2021	2022
Full-time employees (permanent, fixed term)	27	26	27
Women	6	6	5
Women as a percentage of the Frieda River workforce	22.2	23.1	18.5

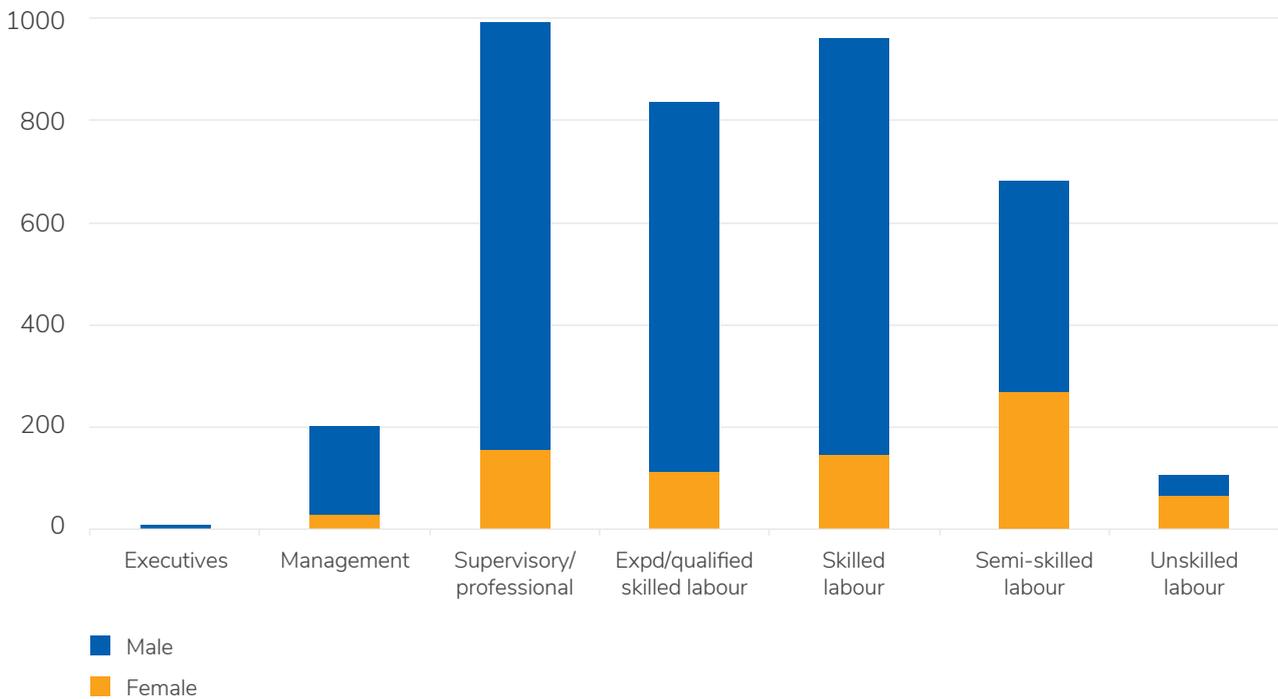
GENDER

At year-end 2022, the PanAust Group had a total workforce numbering 3,882, of which 810 were women, (20.9% of the total workforce) which included 33 in management roles (15% of all management roles across the Company).

For Phu Bia Mining, a continued focus on diversity and advancement of our female staff was maintained throughout 2022. PanAust's Lao-based workforce (PBM) numbered 3,788 with 784 roles filled by women (20.7% of PBM; similar to 2020 and 2021). A further breakdown indicates that women held 28 roles with management responsibility and 157 supervisory or professional capacity roles.

Regular analysis is undertaken by the Company to track the proportion of women within various job categories especially in mining operator and technical maintenance type jobs that are atypical for women. In 2022, PBM employed 113 women in operator and technical maintenance jobs, representing 14 per cent of the total jobs in this job family. A total of 33 women are employed in trainee/apprentice jobs, representing 58 per cent of total roles in this job family—a 49 per cent increase on the 2021 amount.

2022 BREAKDOWN OF PHU BIA MINING ROLE CATEGORIES BY GENDER



OUR PEOPLE

PANAUST'S GENDER DIVERSITY DEVELOPMENT

After emerging from the effects of the global COVID-19 pandemic, PanAust is looking to refocus on gender diversity to reflect the Company's values. PanAust continues to actively encourage diversity and inclusion and has robust programs in place to support gender diversity.

In 2017, when female participation in the workforce began to plateau, PanAust's management felt that more could and should be done and completed a deep dive audit on gender diversity to identify and better understand the barriers that exist to increased female participation. Female participation has continued to increase, with a notable recognition of employment in non-traditional roles and has led to a number of firsts regarding employment of women.

Since 2017, a number of firsts regarding employment of women have occurred, notably as follows:

- The establishment of an all-female crew of dump truck operators at Phu Kham.
- First female superintendent appointed at the Frieda River Project in 2018. Now in 2022, three women are superintendents in the commercial team of PBM.
- The appointment of the first female mining team leader for PanAust.
- The appointment of PanAust's first female firefighter; also a first for Laos.
- More than 50% of trainees/apprentices in 2022 are women.





Cat® 777D —100 tonne rigid chassis dump truck fully loaded with ore ascending the haul road at the Ban Houayxai Gold-Silver Operation

COMPANY OWNERSHIP PROFILE

SUBSIDIARIES BELOW ARE MAIN OPERATING AND SERVICES COMPANIES

Name of entity	Place of incorporation	Class of shares	Equity holding* (%) 2022	Principal activities
Inca de Oro S.A.	Chile	Ordinary	66	Exploration
PanAust South America Services SpA	Chile	Ordinary	100	Services
Phu Bia Mining Limited	Laos	Ordinary	90	Exploration and mining
Wuntho Resources Company Limited	Myanmar	Ordinary	90	Exploration
PanAust Services (Myanmar) Company Limited	Myanmar	Ordinary	100	Services
Frieda River Limited	Papua New Guinea	Ordinary	100	Exploration
PanAust Services Pty Ltd	Australia	Ordinary	100	Services
PanAust Services (Thailand) Company Limited	Thailand	Ordinary	100	Services
Saisana Lao Resources Sole Co Limited	Laos	Ordinary	100	Services

Holding and dormant companies not included in listing.

Materiality Counts Independent Assurance Report to PanAust

Scope of Work

Materiality Counts was engaged by PanAust to provide independent limited assurance of its 2022 Business Review and Sustainability Report (the Report) to the scope of work outlined below. The Report covers PanAust's operations for the 12 months to 31 December 2022, unless stated otherwise in the text. The work was performed using Materiality Counts' assurance methodology to ISAE 3000, the *International Standard on Assurance Engagements Other than Audits or Review of Historical Financial Information*. Materiality Counts interviewed personnel and reviewed relevant data and documentation at PanAust's Phu Kham and Ban Houayxai operations in Laos. Data collation processes were reviewed, original records sighted, spreadsheets interrogated and calculations re-performed.

The subject matter for the assurance was the following material issues (in italics) and datasets:

- **Safety:** *Safety performance:* Working hours, fatalities, high consequence work-related injuries, total recordable injuries, lost time injuries and frequency rates.
- **People:** *Training and development:* Training hours, participants and training programs.
- **Social:** *Social license to operate and stakeholder engagement:* Grievances.
- **Environmental:** *Energy and carbon management:* Energy use and Scope 1 and 2 greenhouse gas (GHG) emissions (reasonable assurance).
Tailings and waste rock management: Tailings and waste rock quantities and Tailings Storage Facility (TSF) management and governance.

The criteria for the assurance were as follows:

- Balanced representation of the material issues in the Report.
- Accuracy of the performance data and statements in the Report.
- Reporting with reference to the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

Materiality Counts' Independence

PanAust was responsible for preparing the Report. Materiality Counts was responsible for expressing assurance conclusions regarding the selected material issues and datasets to the scope of work agreed with PanAust. During the reporting period, Materiality Counts did not work for PanAust on other consulting projects. Materiality Counts is an independent consultancy specialising in materiality determination, report development and assurance, stakeholder engagement and strategy development.

Our Conclusion

Materiality Counts concludes that, based on the scope of work and related limitations, for the specified subject matter, PanAust's 2022 Business Review and Sustainability Report provides a balanced representation of the material issues concerning PanAust, reports accurate performance information and satisfies the requirements of reporting with reference to the GRI Standards for the 12 months to 31 December 2022.

Key Observations

Based on the scope of work, and without affecting our assurance conclusion, Materiality Counts identified the following good practice: accuracy and completeness of the safety performance dataset; improved training dataset via the new Learning Management System (LMS); comprehensive and accessible community incident record-keeping; progress tracking for tailings and waste rock; and capture of electricity data from invoices for individual logistics sites. Areas for improvement include: reducing manual safety performance data entry, analysis and reporting and including narrative when performance has changed significantly from the previous year; running training hours reports direct from the LMS to reduce manual data extraction into spreadsheets for manipulation; implementing more comprehensive event categories in INX for community incidents and training the team in more consistent community incident classification; internal verification that environmental data assured in previous years is reported where available, formulae in the Environment Workbook are correct and data is consistent across the Economic and Environment Workbooks.

Revisions have been addressed and work on areas for improvement has commenced. PanAust is congratulated on its continued commitment to sustainability reporting.

Materiality Counts, 11 October 2023, Melbourne, Australia

Materiality Counts has prepared this statement for PanAust in accordance with the standard practised by members of the consulting profession performing this type of service at the same time. No other warranty, express or implied, is given by Materiality Counts as a result of the provision of this statement. To the extent permitted by law, this statement is provided for informational purposes only, without the right to rely, and Materiality Counts will not be liable for any reliance which may be placed on this statement by a third party. This statement may not be used by any third party without Materiality Counts' express written permission.



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