

Contents

INTRODUCTION	3
A COMMITMENT TO THE VOLUNTARY PRINCIPLES	5
A1 Public Statement of commitment or endorsement of the Voluntary Principles, engagement in the Voluntary Principles Initiative, and transparency.....	5
A2 Examples of promoting awareness of the Voluntary Principles throughout the Organisation, including within the Value Chain.....	5
A3 Examples of promoting and advancing implementation of the Voluntary Principles internationally.....	6
B POLICIES PROCEDURES AND RELATED MATERIALS	6
B4 Relevant policies, procedures, and/or guidelines (or any changes thereto from the previous reporting year) to implement the Voluntary Principles.....	6
B5 Company procedure to conduct security and human rights risk assessments, and integrate findings.....	8
B6 Company procedure or mechanism to report security-related incidents with human rights implications by public/private security forces relating to the Company's activities.....	9
B7 Company procedure to consider the Voluntary Principles in entering into relations with private security providers.....	10
B8 Company procedure or mechanism to investigate and remediate security related incidents with human rights implications by public/private security forces relating to the Company's activities.....	10
C COUNTRY IMPLEMENTATION	11
C9 Overview of country operations selected for 2023 reporting.....	11
C10 Engagements with stakeholders on country implementation.....	15
C11 Voluntary Principles considerations in selection of private security providers and formulation of contractual agreement with private security providers, and arrangement with public security forces ...	16
C12 Examples of supporting outreach, education, and/or training of (i) relevant personnel, (ii) private security, (iii) public security, and/or (iv) civil society.....	17
C13 Company procedure to review progress on implementing the Voluntary Principles at local facilities.....	18
D LESSONS AND ISSUES	18
D14 Lessons and issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the organisation.....	18

Figures

Figure 1: PanAust's global footprint.....	4
Figure 2: Frieda River Project base camp in Papua New Guinea.....	11
Figure 3: Ban Houayxai Gold Silver Operation.....	13
Figure 4: Phu Kham Copper Gold Operation.....	14

INTRODUCTION

PanAust has been a member of the Voluntary Principles Initiative (VPI) since its admission in 2013. This report describes PanAust's implementation of the Voluntary Principles on Security and Human Rights (the "Voluntary Principles, VPs, VPSHR") during the 2023 reporting year. The structure of the report follows the Voluntary Principles Reporting Guidelines. The report is cross referenced to the Reporting Guidelines headings (i.e., **A1**) where possible to minimise duplication.

About PanAust

PanAust Limited (PanAust, the Company, and the Group) is an Australian-headquartered copper and gold producer in Laos with pre-development and exploration opportunities in Laos, Papua New Guinea, and Chile.

PanAust's producing assets are the Phu Kham Copper-Gold Operation (Phu Kham) and the Ban Houayxai Gold-Silver Operation (Ban Houayxai). Both are located in the Company's 2,600 square-kilometre Phu Bia Contract Area (the Contract Area) in Laos.

PanAust also 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.

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. The Frieda River Project in Papua New Guinea is currently in the permitting phase with limited on-site activity.

In Chile, the Inca de Oro exploration project is currently under review for future development with the camp in care and maintenance.

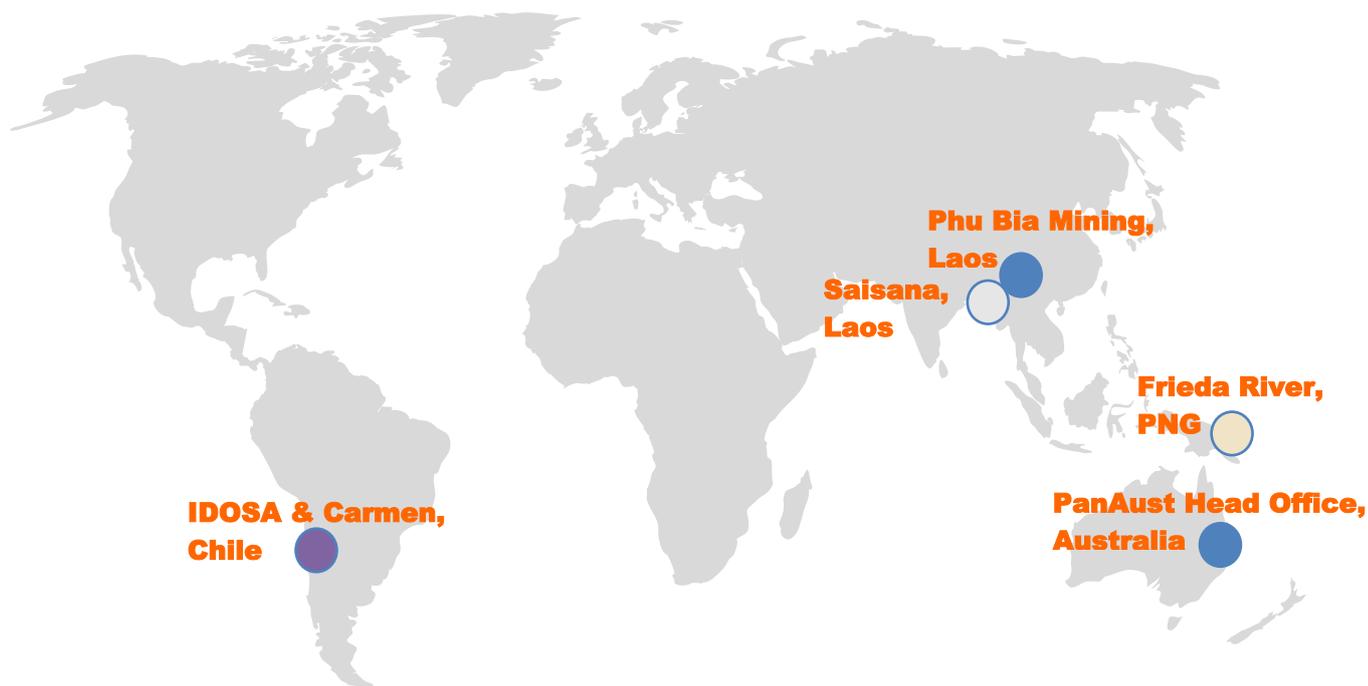
During the year PanAust's Board agreed to exit from Myanmar. This decision has been made due to the Company seeing no short to medium term change to the ongoing security situation in the country. Two of the three tenement groupings were terminated in June 2023, and the Company is in the process of relinquishing the last tenement. Once the last tenement is relinquished all PanAust entities in country will be wound up.

PanAust is an Australian incorporated company that is owned by Guangdong Rising H. K. (Holding) Limited which is a wholly owned subsidiary of Guangdong Rising Holdings group co. Ltd (GDRH).

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

PanAust's Operations, Projects and Offices

Figure 1: PanAust's global footprint



Within this document, the details of country implementation associated with the VPs are provided primarily for Laos as the Company's operations in Laos present the organisation's current material security and human rights challenges. The Laos operations continue to be the only location where proprietary, private and/or public security personnel regularly support the Company's on the ground activities C9.

A COMMITMENT TO THE VOLUNTARY PRINCIPLES

A1 Public Statement of commitment or endorsement of the Voluntary Principles, engagement in the Voluntary Principles Initiative, and transparency.

The Voluntary Principles continues to provide benefits to PanAust and its stakeholders. The Voluntary Principles provide a practical framework that builds confidence in PanAust's ability to operate successfully in complex business environments, fosters co-operative and well-respected relationships with host governments, local communities, and employees, ensures the Company's human rights objectives are met, and supports minimising potential for unplanned business interruptions.

PanAust's commitment to the Voluntary Principles is transparent and publicly stated within its Sustainability Policy, Annual Business Review and Sustainability Report¹ and within The PanAust Way (the Company's Code of Conduct)² located on the PanAust website (www.panaust.com.au).

PanAust's Business Review and Sustainability Report includes a summary of key initiatives undertaken by the Company to proactively meet its commitments to the Voluntary Principles in the respective reporting year, and any material security challenges associated with its operations and Voluntary Principles implementation. A summarised and translated version of the report and the key policies outlined above are provided to operations for internal and public dissemination in the host country language.

PanAust fully abided by the Voluntary Principles Initiative (VPI) Governance Rules during 2023. This included representation at the Annual Voluntary Principles Plenary meetings in London and participation in several verification presentations by engaged member companies.

PanAust remains committed to providing timely responses to reasonable requests for information from other VP's signatories and to collaborate where practicable in Voluntary Principles related forums in the host countries where PanAust has an active on the ground presence.

A2 Examples of promoting awareness of the Voluntary Principles throughout the Organisation, including within the Value Chain

Corporate policies such as the PanAust Sustainability Policy, Governance policy and Human Resource (HR) policies are displayed on the Company intranet, and physically in corporate offices and at operations. The Sustainability Policy is currently translated into Lao, Tok Pisin, Vietnamese and Thai and also displayed in the host country language in community centres. A Laos specific sustainability report in the host country language is produced for operations each year and provided to host communities and other national stakeholders.

All Services contracts are issued with PanAust's corporate policies including the PanAust Sustainability Policy, The PanAust Way and relevant HR policies outlining our human rights requirements. PanAust's commitment to the Voluntary Principles is also communicated to all employees, and contractors as part of mandatory induction training packages for all personnel working on site. Assessment material is then utilised to demonstrate knowledge and understanding of the content of inductions.

The PanAust Way outlines PanAust's commitment to adherence and implementation of the Voluntary Principles and was updated in June 2023. This document and associated training include a practical guide

¹ The PanAust Sustainability Policy dated November 2021 and the 2020 Business Review and Sustainability Report can be found at: <http://www.panaust.com.au/sustainability>.

² The PanAust Way, dated December 2021 can be found at: http://www.panaust.com.au/sites/default/files/ThePanAustWay_April%202017_FINAL_web.pdf

through a question-and-answer format about what to do when confronted by difficult situations in the workplace and outside the workplace while undertaking business activities. The PanAust Way was rolled out to 390 employees and contractors across PanAust in 2023. An updated training package for online delivery of the PanAust Way training was commenced in 2023 with expected rollout across the PanAust Group during 2024.

During host country government and/or local community engagement in Laos and Papua New Guinea, PanAust has advised its stakeholders of its sustainability commitments including its commitment to the Voluntary Principles on Security and Human Rights.

The Company has designated external affairs teams in place in each country where we have an active presence. These teams liaise with a wide range of host government departments and other stakeholders and work closely with the relevant in-country embassy to Australia.

A3 Examples of promoting and advancing implementation of the Voluntary Principles internationally

PanAust promotes its involvement and the benefits of implementing the Voluntary Principles during corporate presentations about the company, during external stakeholder meetings, during operational site visits, and during benchmarking visits and/or working group events with its peers.

PanAust is committed to the underlying principles of the VPs and looks forward to contributing further to the VPI into 2023 and beyond. This was demonstrated through attendance at the London Plenary and associated meetings in 2023, and other opportunities that present for engagement, in countries in which PanAust has an on the ground presence. In late 2023 PanAust started initial discussions with the Papua New Guinea Chamber of Resource and Energy (PNG CORE) on the potential participation in and advocacy for an in country working group of VPI members to discuss issues and approaches for implementation of the Voluntary Principles on the ground.

As PanAust's international operating base grows, so too will opportunities to advance the implementation of the Voluntary Principles to new locations where the Company may operate.

B POLICIES PROCEDURES AND RELATED MATERIALS

B4 Relevant policies, procedures, and/or guidelines (or any changes thereto from the previous reporting year) to implement the Voluntary Principles.

Highest level policies are stated in **A1**, and these are supported by the PanAust Group Security Standard (1-7-62) which establishes the requirements for implementation and compliance monitoring of the Voluntary Principles on Security and Human Rights across the PanAust Group. PanAust also has in place a Group Whistleblower Standard (1-5-57) which establishes and details the process for PanAust employees, contractors, or any other person for raising concerns to PanAust regarding conduct that is contrary to or inconsistent with The PanAust Way (or any other policy, standard or procedure) or any law. Several other supporting standards and procedures are described in additional detail in **B5 – B8**. At an implementation level, operations are supported by security strategy documents, security plans, site level procedures, checklists and training packages that outline VPSHR obligations and Use of Force expectations.

PanAust also has other well-developed standards and procedures related to human resources, environmental management, stakeholder engagement, community relations and it invests strongly in local community development in each country where it has a presence. It is well recognised that deficiencies in these areas are

often triggers for heightened tensions and that strong mitigations in these areas support acceptance and broad support by host communities and governments for the Company’s operations.

PanAust operations in Laos have a well-integrated loss prevention, security, and social governance structure for the implementation of the Voluntary Principles supported by dedicated in-house teams of Loss Prevention and Sustainability professionals to support and implement operational requirements.

At a corporate level, General Manager inductions include a briefing on VPSHR obligations and requirements. Site professionals are also required to be inducted in VPSHR obligations, and these requirements are a focal point for discussions during corporate site visits and at company workshops. Site leads are updated regularly with relevant information from Corporate Pillar calls and are engaged in review of documents that the Plenary seeks corporate pillar feedback on.

PanAust has an external and internal audit program in place as evidenced further in **C13**. Security and VPSHR requirements are included on a rotating schedule within the scope of both internal and external audits.

A summary of the PanAust’s management system, policies, and procedures to specifically address security and human rights related issues are summarised below. Operational teams are also provided access to other tools including the Voluntary Principles’ Implementation Guidance Tools (VP-IGT) and to support their activities through the company intranet.

Management System Documents related to VPSHR

Policy	<ul style="list-style-type: none"> • Code of Conduct - PanAust Way • Sustainability Policy • PBM Use of Force Policy • Enterprise Risk Management Policy,
Standard	<ul style="list-style-type: none"> • PanAust Group Security Standard • Whistle Blower Standard
Strategy	<ul style="list-style-type: none"> • Phu Bia Mining Security Strategy
Procedures	<ul style="list-style-type: none"> • Group ERM procedures • Group Incident Investigation Procedure • Group Deep Dive Procedure • Group and regional Crisis Management Plans • Operations with LPA • LPA MoU • Department Procedures (ie Foot Patrols, detainment, vehicle searches, Escort drivers) • Grievance management • Security contracts Voluntary Principles clauses • Recruitment procedures & protocols - i.e. criminal checks • Group incident reporting; Security investigation procedures • First response Security Protocols • Operations Emergency Response Plans, and related documents at an operational level
Implementation tools	<ul style="list-style-type: none"> • PanAust Enterprise Risk Management procedures and templates • VP's - Implementation Guidance Tools • Voluntary Principles Risk Assessment Template • Inspection templates • Exploration daily escort briefing sheet • Whistleblowers service • Senior Management Taskforce for reviewing major incidents and trends

Training and awareness	<ul style="list-style-type: none"> • Employee and Contractor General Inductions (PanAust Way , VPSHR commitment & Human rights), • Proprietary and Private security and Inductions (Human rights, VPHRS, Foot patrol, detainment, investigations etc.) • Security Code of Conduct ; • Public Security Inductions (Human rights, VPHRS, Use of Force, Use of Chamber Flags) • Daily team tool box meetings • LPD training matrix
Engagement	<ul style="list-style-type: none"> • Formal and informal daily meetings with LPA and local authorities and involvement in site security investigations • Monthly community meetings (Security is an agenda item and the LPD are represented) • Quarterly LPA, Police and LPD Meetings • 6 monthly site visits by LPA hierarchy • Annual meetings with the Ministry of Defence • Employee Engagement Surveys
Risk assessments	<ul style="list-style-type: none"> • Operational Security Risk Registers - Laos Operations • Voluntary Principles Risk Assessment Template • Exploration Risk Registers • Logistics Risk Registers • other specific security assessments
Records and Reporting	<ul style="list-style-type: none"> • LPD Induction and training records • LPA induction training records • In-field competency assessments (LPA, LPD) • Meeting minutes related to scheduled community, LPA, and Police forums • ICAM Investigations; Corporate Incident reporting and tracking database - INX • Voluntary Principles Annual Report • Annual Business Review and Sustainability Report
Review	<ul style="list-style-type: none"> • Bi-annual independent security audit reports • Laos operations external audit against the IFC Performance Standards (includes human rights) or equivalent • Internal security audits; • Global Reporting Initiative (GRI) independent assurance - verifies accuracy of security disclosure and related training data annually

B5 Company procedure to conduct security and human rights risk assessments, and integrate findings

PanAust’s Enterprise Risk Management (ERM) Policy and associated procedures continue to be used across the business as the foundation to identify, assess and mitigate material risks. The PanAust consequence table includes security, social and regulatory consequence descriptors to enable identification and analysis of security and human rights related issues and the ability to prioritise these risks consistently across the business.

The ERM framework requires each operational department, business unit and corporate to establish a register of material risks and update the risk profile in a team-based assessment on an annual basis. Cross functional representation during risk reviews is promoted, to ensure issues and mitigations are developed with, and understood by multiple internal stakeholders.

Moderation of risks is undertaken by the Group Risk and Safety team in conjunction with operational departmental managers and PanAust senior management. High risk issues flagged on departmental registers are escalated into functional area and group level registers. The approach ensures that management and decision makers are actively engaged and take ownership in effectively mitigating material risk issues.

The PanAust Group Security Standard also requires security threat and risk assessments to be carried out for all locations and the risk assessment is to address the key security and human rights risk to people and assets from:

- The physical environment
- Political, governance economic and social factors
- The nature of local conflicts

- Potential for violence
- Security provisioning and human rights records of company personnel, private and public security forces in relation to human rights abuses
- Rule of law, including the reliability, fairness, and efficiency of the legal system
- Requirements for any equipment transfers including safeguards and past incidents, and
- Feedback from stakeholders including host and home government representatives, local community, and civil society.

Independent research, external stakeholder feedback, security incident analysis, internal and external audit findings, and the results of socio economic and environmental assessment also inform these reviews. VP's- IGT tools are also used to inform the process.

A specific Voluntary Principles Risk Assessment template has been developed based on the VP's-IGT and each operational site is required to update this risk assessment on a regular basis but no less than every two years.

The ERM framework is also applied during corporate development activities, and across the full business life cycle of any project including closure. Country, political, security, social and environmental work streams are a standard requirement informing any investment decision and are incorporated into the trade-off studies informing the design of new projects to minimise conflict and ensure favourable social and environmental outcomes that support the business.

B6 Company procedure or mechanism to report security-related incidents with human rights implications by public/private security forces relating to the Company's activities

PanAust provides several reporting mechanisms for persons who wish to make the organisation aware of potential security related incidents, which may have human rights implications. As highlighted on its [Corporate Governance](#) webpage³, PanAust has a Group Whistleblower Standard (Updated during 2023), and operates Whistleblower hotlines in English, Laos and Tok Pisin, in addition to web, email, and postal whistle-blower services. Information reported via this means is assigned to an investigation officer for follow-up and reporting in accordance with protocols outlined within the Standard.

Each operating location is also supported by a local security investigation standard requiring any allegation of a security related incidents with human rights implications to be investigated at a regional level to ensure transparency with the investigation process.

Community grievance management procedures specific to the cultural context of each locality are also in place. The document provides guidance on the management of grievances lodged by members of the local community against the Company, to ensure that all grievances are resolved promptly in a fair and transparent manner.

The Company uses an event management database for tracking progress on security incidents and grievances for resolution. It also provides data for analysis and statistical reporting purposes.

No human rights breaches related to the provision of security services by proprietary, private, or public security providers supporting PanAust activities were recorded for 2023.

³ Refer to the corporate governance page on the website to review the Whistleblower service - <http://www.panaust.com.au/corporate-governance>

B7 Company procedure to consider the Voluntary Principles in entering into relations with private security providers

PanAust's contractor engagement processes are a centralised function ensuring requirements in contracts are consistent and standardised. PanAust requires all security contractors to be managed centrally through the dedicated Loss Prevention Department (LPD) at each operation, including the provision of services to support other contractors present at each operation.

In 2023, two private security contracts were renewed with the existing providers who both have a demonstrated track record of meeting PanAust's requirements. The providers are Laos and Thailand based, and their contracts include specific language related to the Voluntary Principles, as stated within Annex J of the VP's- IGT. All other private security contractors have current contracts, and all these contracts include specific language related to the Voluntary Principles, as stated within Annex J of the VP's- IGT.

The private security guards servicing PanAust Operations provide only unarmed static security functions, and as such their contracts include the following:

- Notification of PanAust's commitment to the Voluntary Principles including the requirement for private security providers to operate consistently with the VP's
- A copy of the Voluntary Principles
- Mandatory participation in Induction programs which include VPSHR and Use of Force training programs
- Mandatory criminal history checks to be undertaken
- Minimum age requirements, and
- Contract termination clauses for any credible misconduct inconsistent with the Voluntary Principles.

In addition to their own company training program, operationally based Private Security personnel are required to undergo the same training program as PanAust proprietary security personnel which includes modules on human rights, the Voluntary Principles Use of Force and Phu Bia Mining's Security Code of Conduct. Training matrices and associated training records are maintained by the relevant security department which includes dedicated security trainers who can present the training in the host country language.

B8 Company procedure or mechanism to investigate and remediate security related incidents with human rights implications by public/private security forces relating to the Company's activities

As stated in response to **B6**, PanAust provides several reporting mechanisms for persons who wish to make the organisation aware of potential security related incidents which may have human rights implications.

All complaints are investigated in accordance with the provisions outlined in **B6** and any substantiated allegations are either dealt with in accordance with the PanAust Group Disciplinary Standard or referred to the relevant government agency for action in accordance with host nation law. If the latter occurred, the status of investigations would be monitored through the Company's legal function. If the Company's investigations concluded that a credible allegation was likely to have occurred, the Company position would be to ensure that the incident was managed sensitively, to enable access to remedy to any person legitimately impacted by such an event.

C COUNTRY IMPLEMENTATION

C9 Overview of country operations selected for 2023 reporting

PAPUA NEW GUINEA

In Papua New Guinea, PanAust holds a 100 per cent interest in Frieda River Limited which is the operator of the Frieda River Project.

The Frieda River Project in Papua New Guinea is one of the largest known undeveloped copper and gold deposits in the world and offers an excellent potential for the establishment of a long-life operation.

The Frieda River Project in Papua New Guinea is currently in the permitting phase with limited on-site activity. The site continues to operate but has reduced field-based work during the permitting phase, The company continues to support the local communities in areas of Education and Healthcare.

In 2023 the Project did not have any private or public security presence given the Project is located remotely in Sanduan Province and is generally inaccessible by state security, policing authorities or other 3rd parties without the use of marine or aviation transport.

The site does have strict security processes in place for remote work activities including work undertaken in local communities.

Figure 2: Frieda River Project base camp in Papua New Guinea



Members of the Royal Papua New Guinea Constabulary (RPNGC) are required to attend the project area periodically in support of investigations and other community related law and order issues. On occasion the site also supports logistical requests by local community leaders when they require a police presence for village

related matters not involving the company. In 2023 members of the RPNGC accompanied the site community relations teams while conducting a month-long engagement program across the local communities.

A memorandum of understanding (MoU) has been signed between Frieda River Limited and the RPNGC. The MOU outlines the rights and obligations of Frieda River Limited as the operator and the expectations of the RPNGC in abiding by the laws in force of the independent state of Papua New Guinea and act in a manner that respects human rights, is consistent with the Voluntary Principles on Security and Human Rights, the Universal Declaration of Human Rights, the UN code of conduct for law enforcement officials, and the UN Basic Principles on the Use of Force and Firearms by law Enforcement Officials. An update to the MOU has been discussed and reviewed with the Provincial Police Commanders in the host provinces during 2023, however the updates are yet to be signed by the Police commissioner.

The site has a Police Engagement Procedure in place which outlines the company's expectations in relation to Use of Force and expectations around the presence and transport of weapons. Constables deployed to the project area are required to familiarise themselves with these requirements as part of their deployment induction.

To maintain positive relations with local stakeholders, a grievance mechanism has been established and the site undertakes a range of regular stakeholder engagement programs with host communities including through daily radio communications, a Landowners Forum, and a Joint Provincial Consultative Committee with government representation by Sandaun and East Sepik Provinces.

LAOS

Lao country and security context

PanAust's subsidiary, Phu Bia Mining (PBM) operates the Phu Kham and Ban Houayxai operations located in the Xaisomboun Province. The region was historically the location of insurgent activities, largely due to a legacy of the Indo-China conflicts of the 1960s and early 1970s. Though now stable, the area remains one of the least developed in Laos and the legacies of conflict remain. At times, regional security-related incidents (unrelated to PanAust's Operations) can occur within close proximity to the Company's operations and exploration activities, and periodically these have placed temporary restrictions on operations and the logistic route.

Laos is a single party communist state, presided over by the Lao People's Revolutionary Party. 'Security' is a restricted occupation within Laos and is a function, which, on a commercial basis, can only be carried out by organisations which have been approved by, and are registered with the Ministry of Public Security (MoPS). Regarding proprietary security, by law, an organisation is not permitted to directly employ more than two people in a security function. When greater numbers are required, MoPS registered, and approved personnel must be employed. Proprietary and Private Security personnel are not permitted to bear arms. When an armed presence is required, the function must be carried out by Public Security personnel, i.e., the Lao People's Army (LPA) or Police.

The term Loss Prevention Department (LPD) is used to describe the function and position titles assigned to PBM's proprietary personnel who perform a combined unarmed static security and emergency response role, as direct employees of the Company. A small contingent of MoP's approved unarmed contracted security guards are also employed across the operations and some satellite logistics facilities.

In 2023 there were 243 Loss Prevention personnel employed by PBM, at its mining operations, supported by 21 private security guards. The number of private security guards has decreased as additional Loss Prevention personnel were employed for greater oversight and training.

The Lao People’s Army are required by the Government of Laos to have a presence at the Company’s Laos Operations and remote exploration sites within the 2600 square kilometre Phu Bia contract area. In 2023, the LPA presence at PBM Operations was increased by approximately 38 personnel to a total of 238 LPA supporting the operations and exploration activities. The increase in LPA numbers is primarily to support the expansion of mine development activities and offsite exploration work programs in the broader Contract Area. The LPA’s role largely supports regional security external to PanAust’s active working areas, however they may also provide a presence alongside selected infrastructure and Company assets due to their criticality and/or vulnerability. The LPA provide remote work security escorts for some exploration activities and along higher risk sections of the Company’s logistics route, where there has been a recent history of banditry activity.

The Company works closely with the LPA under strict standards observed through a Memorandum of Understanding (MoU) and a Company provided induction on the Voluntary Principles and how they are applied on PanAust sites. **(C11)**

Given the locality of Laos operations strict security protocols are established by the Company to pre-empt, and in response to occasional regional security issues that may arise. A proactive approach is taken to call out these protocols and to minimise remote work activities and personnel movement during such periods, to minimise necessitating a response and/or the potential for conflict to arise. Phu Bia Mining was not required to enact the security protocols in 2023 as there were no significant security events related to our activities during this period.

Figure 3: Ban Houayxai Gold Silver Operation



Figure 4: Phu Kham Copper Gold Operation



During 2023 the Phu Bia Mining operations updated their Security and Human Rights risk assessment using the PanAust VPs Risk Assessment tool. This updated assessment highlighted that there is still an elevated risk of conflict in the region of operations from banditry and legacy insurgent groups from the civil war era and that there is also an elevated level of risk relating to community expectations on the company to fix socio-economic issues in the region leading to increased tensions.

Site level procedures and training packages addressing Voluntary Principles requirements are maintained by the LPD in Laos. The LPD has direct responsibility for the oversight of internal and private security and implementing agreements with public security forces and agencies.

PBM continues to implement an effective complaint and grievance process as an important mitigant to minimising the potential for community issues to escalate into more serious conflict. All incidents and grievances are captured in the Company's incident management database and reported monthly. High potential incidents and grievances of a serious nature are notified through to Corporate Management. Metrics are established to assess performance against resolution of complaints and grievances, and the implementation of investigation outcomes. These are publicly reported in the Business Review and Sustainability Report each year.

Myanmar

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.

During 2023 PanAust's Board agreed to exit from Myanmar. This decision was made due to the Company seeing no short to medium term change to the ongoing security situation in the country. Two of the three tenement groupings were terminated in June 2023, and the Company is in the process of relinquishing the last tenement. Once the last tenement is relinquished all PanAust entities in country will be wound up.

Wuntho Resources Company Limited and the Joint Venture did not employ or engage any private or public security providers during 2023.

C10 Engagements with stakeholders on country implementation

PBM has a well-integrated loss prevention and security governance structure for the implementation of the Voluntary Principles, supported by dedicated in-house teams of Loss Prevention, Sustainability professionals and Government Relations staff to support the Company's operational requirements and to maintain constructive stakeholder relationships.

Regular engagement continues to occur with Laos external stakeholders regarding operational performance, security arrangements and implementation of the Voluntary Principles. The meetings are documented and recorded within the electronic database.

Working with various stakeholder groups a range of regular, scheduled meetings and one-off engagements were conducted to support Laos operations in 2023 including:

- Pro-active engagement by the operational community teams with local communities on a day-to-day basis on local issues, areas of mutual interest, and in support of ongoing community development programs.
- Proactive engagement on a regular basis with the site based operational LPA Commanders to discuss and address any immediate site security issues, conduct joint inspections of LPA facilities and to clarify roles and responsibilities between LPD and LPA.
- Annual wet season preparedness by training LPA medical personnel to provide emergency care for LPA in remote work areas, and provision of additional LPA medics in remote locations to support field operations.
- Daily meetings on site with the private security provider's supervisors. Quarterly meetings with Private Security provider's management team to address resourcing requirements, compliance to Company policies, performance, and contract implementation.
- Ongoing Community Naiban (Leaders) meetings with the Company's Community Affairs Department discussing a range of issues including environmental and social performance, community development priorities, land compensation, incidents and progress on grievances, regional and local security, and safety related issues.
- Regular dialogue with district police to report and engage on security related incidents.
- Weekly informal meetings with LPA personnel assigned to patrol the ADB9 public road.
- District police involved with field observations and monitoring for ASM activities in PBM's Contract Area.

- Quarterly Provincial LPA/police meetings. Agendas include discussing issues which may affect PBM and or local communities and attempt to identify practical solutions for implementation.
- Ongoing meetings and relationship building with GoL Prime Minister and Ministers regarding support for PBM's exploration and mining activities and the updating of PBM's Contract Area.
- Meetings with the Minister of Defence (held at the Ministers discretion) covering proposed activities and contract area requirements, LPA support and co-operation, MoU's, status of regional security in the region, and any concerns or areas of interest in relation to PBM Operations.
- Liaison with Australian Embassy Staff in relation to the Company's performance, business climate and broader security setting across the region.

C11 Voluntary Principles considerations in selection of private security providers and formulation of contractual agreement with private security providers, and arrangement with public security forces

Private Security

Private security contractors continue to be contracted at both the Phu Kham Operation, the Ban Houayxai Operation and at some ancillary logistics and port facilities.

In 2023 all private security contracts were verified as being renewed and current. Schedule E of each Laos contract were confirmed to include the requirements of Annex J of the VP's Implementation Guidance Tools. Contracts also include requirements of guards to be at least 25 years of age, (or 21 with additional permissions from PBM) and to produce an original certificate from the Ministry of Justice indicating that they have no criminal convictions and that they have successfully completed an approved Ministry of Public Security training program. Copies of training records and police clearance certificates are required to be provided to the Company to verify compliance with mandatory training and character checks.

Private Security personnel, in addition to PBM proprietary personnel and external security consultants are required to undergo a criminal history check prior to carrying out a security function. There are some limitations to this process in Laos due to the absence of a nationwide database, with checks completed at the provincial level only. These factors are considered in operational risk assessments. Where possible background checks are also conducted to confirm previous employment and suitability to perform a security role.

In addition to their own Company's training program, private security personnel are required to undergo the same induction and training program as PBM Proprietary Security personnel which includes modules on human rights, the Voluntary Principles on Security and Human Rights and Use of Force, in addition to other site security procedures including foot patrol, methods of restraint, person and vehicle search, and crowd control.

Public Security

An operational MoU exists between PBM and the LPA which sets out the role of the LPA including expected standard of behaviour, adherence to the Voluntary Principles and Use of Force expectations, induction requirements, and the right of removal of personnel from Operations that do not abide by the MoU. The only changes to the MOU in 2023 related to updates to payment and per diem rates.

LPA personnel are rotated offsite monthly. They are required to undertake a Company-provided induction program each time they are re-deployed. Their induction covers the areas of safety, Use of Force as it relates

to the laws of Laos, key components of the Voluntary Principles, Company Values, and other behavioural expectations.

PBM has a team of competent Laos trainers who administer training to the LPA (in the local language) and assess competency. Training records are maintained for all personnel, including those belonging to the public security agencies, to be able to validate training for auditing purposes. A regular daily program of inspecting LPA facilities and command posts on a rotational basis is also undertaken by LPD Supervisors to ensure high standards of compliance with Company policy.

2023 combined Voluntary Principles and Use of Force training statistics for operations for the LPA and LPD are as follows:

Table 1: Voluntary Principles and Use of Force – No. of members trained

LPA	LPD and Private Security	Total
1074	52	1126

C12 Examples of supporting outreach, education, and/or training of (i) relevant personnel, (ii) private security, (iii) public security, and/or (iv) civil society

Due to the political regime in Laos, PanAust’s sphere of influence is restricted to its operations (employees and contractors), local villages (grievance procedure only) and District/Provincial LPA assigned to its work sites. LPA personnel are rotated monthly and receive training in relation to PanAust’s requirements for the Voluntary Principles, basic human rights, and the Use of Force for every rotation, regardless of how many times they have undertaken the program previously. Given the frequency of rotation, knowledge of the Voluntary Principles continues to be reinforced and spread wider than the Company’s operations.

PanAust continues to be the only Voluntary Principles signatory with operations currently in Laos. Within the restrictions placed on it, PBM promotes Voluntary Principles membership with government and community stakeholders as part of the Company’s commitment to implementing best practice in standards, procedures, and implementation of processes as they relate to security and human rights.

During 2023 PBM developed a design and construction standard for LPA accommodation and posts to ensure that had adequate protection from the elements; including grounding cables for lighting protection, solar panels to ensure the LPA personnel can charge mobile phones and maintain communication with their families and commanders.

During 2023 one remote camp became isolated due to landslides and PBM utilised helicopters to ensure LPA and PBM personnel had adequate food, water and other supplies until the landslides were removed and road access was able to be reinstated. Annual preparations for wet season include all LPA accommodation checks and maintenance. PBM has an Adverse Weather Preparation Response Checklist that is used to manage operations and account for all personnel (including contractors and LPA) and ensure they are safe.

An annual mock exercise involving a live Lao Skyways helicopter response was conducted in June 2023 which prepared PBM for the wet season response that was required to support those LPA and PBM personnel isolated due to the landslides and First Response Protocols to be re-enforced.

Annual refresher medical and emergency training and materials were provided to the LPA Medics assigned to remote areas, additional wet weather PPE was also issued to the LPA personnel.

PanAust continues to engage in dialogue and information sharing with security personnel from the Lane Xang Minerals Limited (LXML) Sepon operation, which is 90% owned by Chifeng Jilong Gold Mining Co Ltd and situated in the southern part of Laos. The nature of these engagements includes discussing practical aspects of good security management and maintaining good working relation with the LPA and private security providers.

C13 Company procedure to review progress on implementing the Voluntary Principles at local facilities

PanAust maintains a rotating schedule of external and internal audits of operations and projects to assess and address the Company's implementation of appropriate security practices, to inform updates to risk assessments and confirming that VP's obligations are being progressed.

In 2023 quarterly internal audits of security procedures were completed. A document review of all security procedures was also initiated in 2023, including a review of the VPSHR Risk Register / Risk Assessment.

A PBM Security Superintendent attended the VPSHR Conference in London during 2023.

D LESSONS AND ISSUES

D14 Lessons and issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the organisation.

PBM have been working to extend the Life of Mine for both BHX and PKM operations and as a result have increased exploration activities with the Contract Area. Discrepancies between the central Government of Lao and Provincial Governments issuing of exploration area licences within the PBM Contract Area has led to a situation where a number of 3rd party companies are encroaching on PBM's Contract Area and or mining lease rights as well as an increase in ASM.

Additional LPA and Loss Prevention personnel have been allocated to provide a physical presence in key exploration areas within the Contract Area to prevent and or monitor ASM and or encroachment activities. Ensuring that Loss Prevention and LPA personnel are trained in the Voluntary Principles is key to ensure no conflict situations arise.

Where ASM is identified local and or district police are the security force to take appropriate action.

In 2023 PBM established a taskforce to deal with encroachment and ASM activities. The taskforce consists of legal, government relations, community relations, exploration, environment, operations and risk representatives. Addressing issues at the Central and Provincial Government levels are undertaken by key persons within the taskforce to address the issues of encroachment.

Taskforce surveillance on the ground is undertaken by PBM Loss Prevention personnel and LPA and are supported by community relations, environment and local / district police.

Effective working relationships with public security providers occur when there is good rapport and trust between proprietary security personnel and LPA command leaders. When turnover of personnel in key roles occurs, a concerted effort and increased investment in stakeholder relations is required to maintain good working relationships and build trust over the short term, particularly with the frequency of LPA rotations.

The key challenges with implementing the VPSHR in Laos continue to be related to:

PanAust's sphere of influence is restricted to its operational areas as outlined in C12. As the only signatory Company to the initiative operating in Laos, PBM continues to implement the VP's to the best of its abilities at a provincial and local level. That said the induction program provided by PBM to private and public security providers is well received by those participating in the training.

The ongoing challenges related to 3rd party encroachment on PBMs Contract Area and the complexity this brings to the security environment.

Maintaining consistency in security standards across Laos operation with the frequent rotations of LPA personnel can be challenging. It is however recognised that the frequent rotations also provides significant benefit in exposing more LPA personnel to the VPSHR principles and ensuring that LPA are fit for work.

The company's Operations in Laos are transitioning from two large open pit mining operations to a combination of open pit and underground mines and potentially satellite ore feeds to the Phu Kham and Ban Houayxai processing plants. The operations security risk profile is expected to become more challenging with the increase in operational footprint in Laos.

On the Frieda River Project in Papua New Guinea, PanAust was involved in a complaint to the Australian National Contact Point for Responsible Business Conduct (AusNCP) that was originally received in December 2021. The complaint was 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.

The complaint alleged that PanAust's actions breached the Disclosure, Human Rights and Environment standards of the Organization for Economic Cooperation and Development (OECD) 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 was issued in August 2023.

The central finding of the final statement from the AusNCP was that the examination makes no determination that the enterprise (PanAust) has acted inconsistently with the OECD Guidelines and from the information provided, it appears extensive consultation and engagement is underway with communities in Papua New Guinea. This is being conducted by the enterprise and Papua New Guinea Government agencies, and those agencies are currently considering the enterprise's proposals and whether they should proceed.

As activities increase in and around the project area in Papua New Guinea, PanAust will need to actively promote the VPs with stakeholders in the region, and outline the Company's expectations for stakeholder interactions, and public or private security personnel and the upholding of human rights across PanAust activities.

Priorities for VPSHR implementation across the organisation in 2024 includes:

- Reviewing and updating the Risk and Vulnerability Assessments for the Frieda River Project in Papua New Guinea.
- Continuing with LPA engagement and outreach efforts to build on the co-operative working relationship established.

- Continuing to strengthen relationships with the local communities and engaging local personnel where possible to take responsibility for monitoring assets such as fence lines within their sphere of influence
- Continuing relationship building and dialogue with the RPNGC and other VPI members in Papua New Guinea including though participating in any In-country working groups that may be set up in the future.
- Continue to actively engage with Central Government of Laos and key ministers to remove 3rd party encroachment issues to support the extended life of mine.
- Continue to promote and train LPA and Loss Prevention personnel in VPSHR principles and monitoring activities in the field.
- Continue quarterly face to face engagement with LPA and other security forces leadership to support PBM achieve its commitment to the VPSHR principles.
- Continue to work with local security and enforcement agencies in tracking and apprehending ASM within the key areas of PBM's Contract Area.
- Continue to work with the community with regard to sustainability and outreach projects.

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