

PANAUST



BUSINESS REVIEW AND SUSTAINABILITY REPORT

2023

CONTENTS

INTRODUCTION 4

About this Report	5
Managing Director and Chief Executive Officer's review	6
Company profile	8
2023 highlights and 2024 challenges	12
Sustainability performance	15
PanAust's Vision, Mission and Values	19

ECONOMIC PERFORMANCE 21

Financial capital and manufactured capital	22
Financial performance and growth	24
Operational performance and responsible production	26
Exploration and production growth	30
Innovation	32

SOCIAL PERFORMANCE 34

Social and relationship capital	35
Stakeholder engagement and relationships	37
Community relations	42
Grievance management	44
Resettlement, livelihood restoration and compensation	45
Community development and support	46
Human rights and indigenous peoples	56
Artisanal and small-scale mining	59

ENVIRONMENTAL PERFORMANCE 60

Natural capital	61
Tailings and waste rock	63
Water use and discharges	67
Biodiversity	69
Land use, rehabilitation and closure	70
Climate change	72

HEALTH, SAFETY AND WELLBEING PERFORMANCE 76

Human capital	77
Health, safety and wellbeing	78
Health and wellbeing	86
Fitness for work	88
Security	90

OUR PEOPLE 92

Human capital	93
Workplace culture	97
Organisational capacity, training and development	98

GOVERNANCE AND RISK 100

Material issues	101
Business conduct and compliance	102
Ethical supply chain	104
Risk management	105
Governance structure	111
Auditing and benchmarking	114
Company ownership profile	116
Assurance statement	117

INTRODUCTION



ABOUT THIS REPORT

APPROACH

The Board and Management Team is proud to present this 2023 Business Review and Sustainability Report, our seventeenth Sustainability Report. It is based on the issues most important to us and our key stakeholders in relation to our most significant economic, environmental and social impacts and the value we create, namely our material issues. An independent best practice materiality process was undertaken by Materiality Counts to determine these material issues.

The Report has been prepared in accordance with the Global Reporting Initiative (GRI) Universal and Topic Standards to cover the material issues. A detailed index of the GRI indicators, where they are reported in this Report and to what extent (fully, partially, or not reported) can be found on our website: panaust.com.au/annual-publications. We also referenced the International Integrated Reporting Council's (IIRC) Integrated Reporting (IR) Framework, with an eye on incoming reporting standards in Australia and internationally.

REPORT SCOPE

This Report is for the 2023 calendar year for the following principal activities of the PanAust Group:

- Production and sale of copper-gold-silver concentrate from the Phu Kham Copper-Gold Operation.
- Production and sale of gold-silver doré from the Ban Houayxai Gold-Silver Operation.
- Exploration and evaluation of projects in Laos, Papua New Guinea, Chile, Myanmar and Australia.

Unless otherwise stated, data in this Report relates to our Phu Kham and Ban Houayxai operations in Laos.

DATA COLLECTION PROTOCOLS AND REPORTING CURRENCY

Except for any new items reported for the first time this year, this Report presents data for a three-year period from 2021. Reports from previous years are publicly available on our website: panaust.com.au/annual-publications. 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 alongside the data tables, where applicable. Unless otherwise stated, all monetary amounts in this Report are expressed in United States dollars (US\$). Data contained in tables and figures has often been rounded.

FORWARD-LOOKING STATEMENTS

This Report includes certain 'forward-looking' statements. All statements, other than statements of historical fact, including without limitation, statements regarding forecast production performances, potential mineralisation, resources and reserves and future expansion plans and the 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.

TRANSPARENT REPORTING

PanAust values openness and transparency in its business activities, producing this Report each year as a valuable communication tool with stakeholders. Niboi Consulting provided independent limited assurance of key non-financial material issues in this Report, their assurance statement can be found on page 117. The 2023 Annual Report was independently audited by KPMG in accordance with the Australian Auditing Standards and lodged with the Australian Securities and Investments Commission (ASIC) in April 2024, who will make it available for a nominal fee.

Through associate membership of the Minerals Council of Australia (MCA), we support the Extractive Industries Transparency Initiative (EITI). This 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 this Report (see page 47) and its Annual Report. When legally permitted and consented to do so by our 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.

Feedback on this Report is welcome, please email: info@panaust.com.au or telephone +61 7 3117 2000.

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S REVIEW

I am pleased to present the PanAust 2023 Business Review and Sustainability Report, covering my third year as the Company's Managing Director and Chief Executive Officer.

2023 has been a year of significant progress. We delivered several of our strategic objectives, achieving improvements in production and cash flow, as well as safety.

We ended the year fatality free and with a closing cash balance of more than US\$200 million.

The Phu Kham Copper-Gold operation benefited during the year from higher metal production for both copper and gold that resulted from increased ore milled and higher recovery. With the life of mine extended to 2029 for Ban Houayxai and Q1 2026 for Phu Kham. Positive negotiations on the fourth round of proposed amendments to the MEPA in partnership with the Government of Laos are continuing and we expect them to be finalised in early 2024.

This year the Ban Houayxai operation transitioned from a purely open cut mining operation to an operation with both surface and underground activities. A decline to enable further exploration drilling to occur underneath the existing open pit commenced during the second half of the year. Early works, including the construction of a camp at the Ban Houayxai extension deposit began during the year.

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 (GDRH), who is committed to setting us up on the right path for continued success.

ECONOMIC PERFORMANCE

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

With the global economy continuing to recover in 2023, we were able to continue to capitalise on high metal prices to deliver a 2023 NPAT of US\$89.5 million for the year, and end 2023 with a cash balance of \$US231 million and positive cash flow.

The Operations delivered 50,120 tonnes of copper in concentrate (up from 37,162 tonnes in 2022). Gold and silver production totaled 112,380 ounces and 589,070 oz respectively in concentrate and doré.

GROWTH PROJECTS

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

PanAust also owns a share of the Inca De Oro 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, through regular meeting with the Conservation Environment Protection Authority, meetings with other peak bodies and regular community consultation and engagement programs.

Over the coming years, PanAust will actively 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 PERFORMANCE

Health and safety remains a cornerstone of PanAust's values and operations, and we take immense pride in our achievements in this critical area.

This year, I am pleased to report that PanAust not only met but significantly bettered its Total Recordable Injury Frequency Rate (TRIFR) target of less than or equal to 1.3, achieving an exceptional TRIFR of 0.32—far outperforming the global mining industry average. This outstanding accomplishment reflects the dedication and vigilance of our entire team.

In addition, we recorded a Lost Time Injury Frequency Rate (LTIFR) of just 0.06, stemming from a single injury, which is well below our target of 0.33.

To sustain and further improve our safety performance, we continue to prioritise visible leadership through proactive workplace safety interactions and rigorous verification of critical controls. These measures are integral to minimising risks and ensuring the ongoing well-being of our people.

ENVIRONMENTAL PERFORMANCE

PanAust achieved significant milestones in environmental performance in 2023, demonstrating our commitment to sustainable mining practices. We are particularly proud of the 20% reduction in greenhouse gas intensity at our Phu Kham operation, which now stands at 3.05 tCO₂-e per tonne of copper. Similarly, water intensity at our operations improved by 21 per cent, reflecting enhanced efficiency in water use and processing. Additionally, our Tailings Storage Facilities were rigorously monitored, with all inspections meeting international standards, ensuring safety and environmental stewardship.

Building on these successes, we remain focused on managing our environmental footprint through innovative strategies that improve energy efficiency and reduce emissions across operations. Our rigorous approach to tailings and waste rock management, underpinned by international best practices, highlights our commitment to long-term sustainability. These efforts align with our broader goal of balancing operational excellence with environmental responsibility, ensuring a positive legacy for future generations.

OUR PEOPLE

At PanAust, our people are our greatest asset, and developing a supportive workplace culture remains a priority. In 2023, we maintained our strong localisation strategy, with 92.3 percent of our workforce in Laos being Lao nationals. Gender diversity also improved slightly, with women representing 21.6 percent of our workforce. Key programs, such as our Supervisory Skills Training Program and Accelerated Trades Training Apprenticeship Program, continue to build local capacity and ensure equitable opportunities for career progression.

Training and development are integral to our commitment to empowering employees. In 2023, over 204,000 hours of training were delivered across technical, leadership, and professional skills, averaging 46 hours per employee. These initiatives, including the completion of our first accelerated apprenticeship program, demonstrate our focus on equipping employees with the tools and knowledge needed to succeed while fostering a workplace culture of diversity, inclusivity, and continuous improvement.

SOCIAL PERFORMANCE

PanAust's commitment to social performance is anchored in creating long-term, meaningful benefits for the communities in which we operate. In 2023, we significantly enhanced our community development programs, investing over USD 1 million in initiatives that focused on education, healthcare, local enterprise development and infrastructure. Notably, our Sustainable Livelihoods Program in Laos continues to empower communities through agriculture and small business support, driving economic independence beyond the life of our operations. Similarly, in Papua New Guinea, we delivered impactful programs such as school support, community health initiatives, and disaster relief in collaboration with local stakeholders, underscoring our dedication to fostering resilient communities.

Stakeholder engagement remains central to our approach, ensuring that we maintain trust and alignment with community priorities. In Laos, we completed socio-economic surveys to refine our community programs, while in Papua New Guinea, the Community Leaders Forum continues to facilitate transparent communication and collaborative planning. Through targeted grievance management, livelihood restoration, and support for local capacity-building, we prioritise equity, respect for human rights, and sustainable development, reinforcing our social license to operate and delivering shared value to our host regions.



Daling Zheng,
PanAust Managing Director
and Chief Executive Officer

ACKNOWLEDGEMENT

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

To reach a larger global audience, in 2024, we will introduce the Chinese language to our PanAust.com.au site as well as create a trilingual PhuBiaMining.com website (Lao, Chinese and English) to help enable our key Laos-based stakeholders to better understand our longstanding commitment and financial contributions to Laos and its people.

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

I am proud of the progress the team has made in 2023, and I am excited for the projects that we have planned for 2024. I believe the focus, skill and dedication of our teams will set us up for success in the coming years.

Daling Zheng
PanAust Managing Director
and Chief Executive Officer

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 Laos, in the Company's Contract Area (the Contract Area) under its Mineral Exploration and Production Agreement (MEPA) with the Government of Laos.

In Papua New Guinea (PNG), PanAust is advancing the Frieda River Project. This 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, with joint venture partner, Codelco, owning 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 2023 and beyond is to extend the operating life of its existing operations in Laos, progress our project development opportunities in PNG and Chile and evaluate complementary acquisition opportunities to the Company's existing portfolio of assets.

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

GDRH 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.



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.

COMPANY STRUCTURE

AUSTRALIA

PanAust's registered head office is in Brisbane, Australia, which provides leadership, specialist expertise and support across the Group. 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 (Phu Bia Mining). The Government of Laos owns the remaining 10 per cent.

Phu Bia Mining has a Mineral Exploration and Production Agreement (MEPA) 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.

Phu Bia Mining 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 remain a priority for the business.

During 2023, PanAust's Board determined that PanAust would 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.

PAPUA NEW GUINEA

PanAust, through its wholly owned subsidiary Frieda River Limited, owns 100 per cent of the Frieda River Project in PNG. The Independent State of PNG 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 11/11/2024)

Mr Tao Wu, Chairman (appointed 1 July 2024)

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

Mr Zhibin Huang, Non-Executive Director (appointed 21 May 2024)

Ms Yuan He, Non-Executive Director (appointed 31 May 2024)

Ms Mengjie Qiu, Non-Executive Director (appointed 7 June 2024)

Mr Qiushi Liu, Non-Executive Director (appointed 12 June 2024)

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

WHAT MATTERS MOST



INFORMATION IS VERY IMPORTANT TO LOCAL COMMUNITIES SUCH AS OURS. REGULAR ENGAGEMENT ON PROJECT ACTIVITIES HELPS BUILD OUR UNDERSTANDING. IT IS IMPORTANT TO US THAT THE COMPANY ORGANISES REGULAR MEETINGS AND COMMUNITY VISITS TO TALK ABOUT ISSUES OF CONCERN TO US.

Christina Nathan, Wameimin 2 Village, PNG

THE MATERIALITY PROCESS

Our materiality process identified the issues most important to PanAust and our key stakeholders in terms of our impacts and the value we create. We engaged Materiality Counts to undertake an independent materiality process this year using a tried-and-tested best practice approach consisting of the following 4 key steps:

01

ISSUES LIST

Using a comprehensive range of inputs across risk, strategy, governance, surveys, media coverage, peer reports, industry studies, the Sustainable Development Goals (SDGs) and more, a “long list” of issues was developed. This list consisted of our economic, social, environmental, health and safety and people issues. It drew on the six capitals of integrated thinking and reporting, namely financial, manufactured, social and relationship, natural, human and intellectual capitals.

02

MATERIALITY SURVEY

A representative sample of 15 external and 15 internal stakeholders completed the materiality survey, in which they rated the importance of 22 issues to PanAust’s impacts and value creation, alongside PanAust’s performance in managing each issue. They also selected their top 3 priorities for PanAust to focus on. The stakeholder sample was representative except for a gap in government representation, which will be addressed as a priority next time. Stakeholders engaged in the materiality process were as follows:

- **External:** Landowners and local community members (3), customers (2), partners (1), suppliers (2), capital market representatives (3), non-governmental organisations (NGOs) and interest groups (2) and industry peers and associations (2).
- **Internal:** Parent company representatives and Board members (2), senior management (6), employees (6) and contractors (2).

03

STAKEHOLDER INTERVIEWS

Of those who completed the materiality survey, 12 external and 3 internal stakeholders were interviewed on their top 3 priorities for PanAust. In-depth insights from these interviews provided rich context to inform our strategy and this Report. Some of the stakeholders interviewed gave their approval to be quoted, facilitating a more open, balanced and transparent Report.

04

LEADERSHIP REVIEW

The materiality results were presented to the Leadership Team as part of a materiality workshop. Dynamic discussion of the relative materiality of the issues and stakeholder feedback from the interviews resulted in some fine tuning, namely the inclusion of exploration and production growth and artisanal and small-scale mining as material issues.

THE MATERIAL ISSUES

These are the top 12 material issues for PanAust in 2024 and the basis for this Report and our strategy. The description of each issue can be found in the relevant chapters of this Report:

1. Health, safety and wellbeing.

2. Financial performance and growth.

3. Operational performance.

4. Human rights.

5. Stakeholder engagement.

6. Business conduct and compliance.
7. Community development and support.

8. Tailings and waste rock.

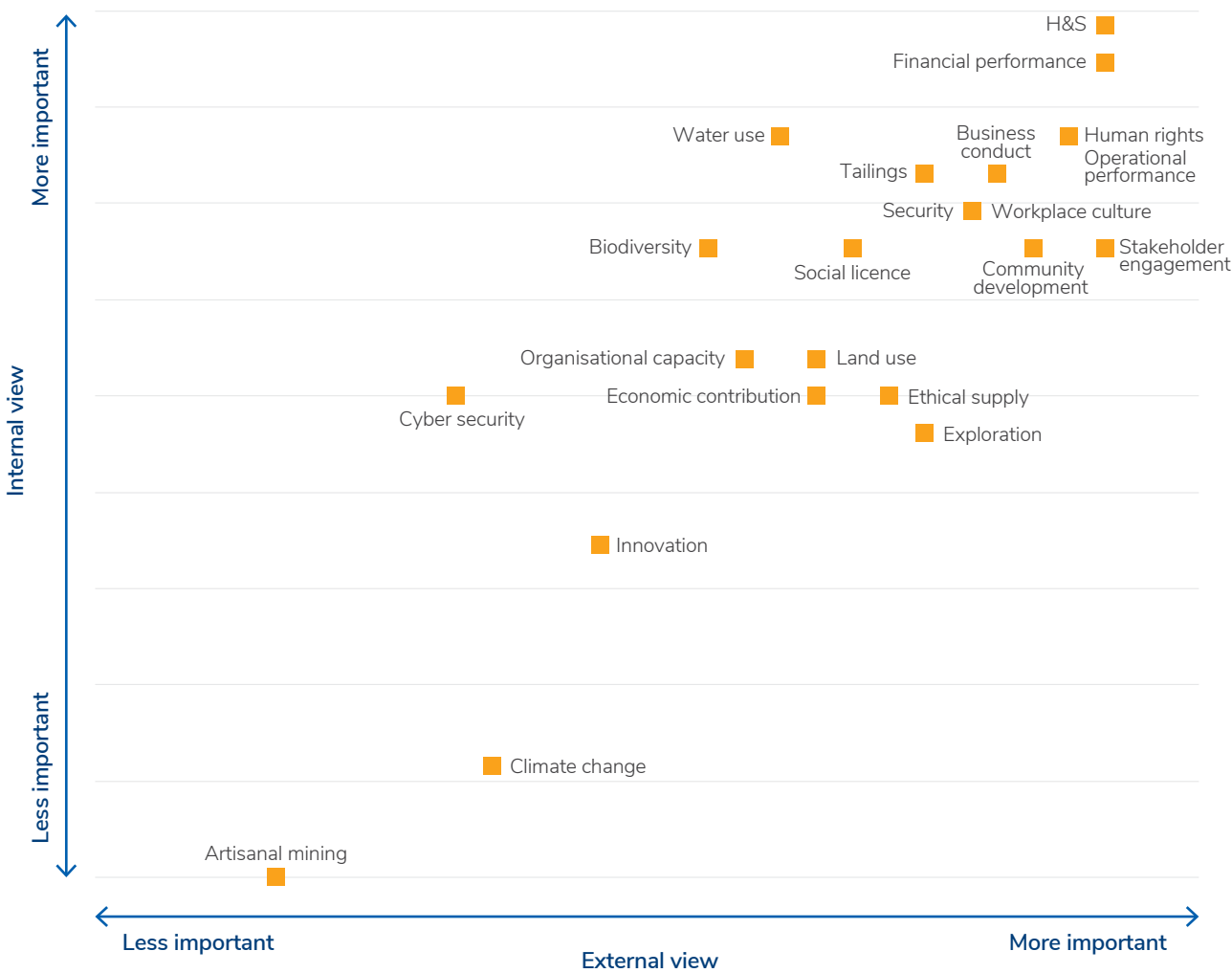
9. Workplace culture.

10. Security.

11. Exploration and production growth.

12. Artisanal and small-scale mining.

PANAUST 2024 MATERIALITY MATRIX



2023 HIGHLIGHTS AND 2024 CHALLENGES

2023 HIGHLIGHTS

ECONOMIC PERFORMANCE

- US\$89.5 million Group profit after income tax for the year ended 31 December 2023.
- US\$231.5 million closing cash balance, as of 31 December 2023, PanAust continues to generate positive operating cash flows.
- Successful life of mine extension to 2029 at the Ban Houayxai Operation in Laos.
- Continued negotiations with the Government of Laos to review and agree on the fourth amendment to the Mineral Exploration and Production Agreement (finalised in April 2024).

GOVERNANCE

- Continued commitment to transparent reporting as an unlisted public company with this seventeenth Business Review and Sustainability Report.
- Review and update of the Company's corporate governance practices, including an updated Board charter and constitution.
- Re-establishment of management committees for investments, risk, governance and remuneration, for effective decision-making.
- Review and update of the regional anti-bribery and corruption standards and amalgamation into a single Group wide standard.
- Review, update and implementation of group-wide compliance training.
- Commencement of a project to implement a cloud-based Enterprise Risk Management system to enable real time visibility of risks and their controls across the company.
- External audit of Phu Bia Mining against the PanAust Integrated Management System (IMS) and updated Group Safety Standards.

- Receipt of the Final statement on the Frieda River Project from the Australian National Contact Point for Responsible Business Conduct (AusNCP), stating that:
 - PanAust has 'Not acted inconsistently with the OECD Guideline'.
 - extensive rounds of consultation and engagement are underway with communities in PNG.
 - the Environmental Impact Statement for the project is extensive.
 - further recommended actions should be taken to ensure compliance with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

SOCIAL PERFORMANCE

- Phu Bia Mining Community Development Fund (CDF) report for 2005 to 2023 in partnership with local government and host communities in Laos outlining the significant contribution made to improving living standards and reducing poverty in these communities.
- Investment of US\$5.8 million in the CDF over the past decade, completing 460 projects across six priority development sectors:
 1. Agriculture and sustainable livelihoods development
 2. Healthcare, clean water and sanitation
 3. Educational development
 4. Community infrastructure
 5. Access to finance and small business development
 6. Capacity building for local government agencies
- Increased annual SLP/CDF budget from US\$380,000 to US\$750,000 from 2024.
- Contributed 3.3 per cent of Laos GDP¹.
- Investment of US\$725,066 in the Sustainable Livelihood Program (SLP) and CDF in Laos, plus US\$275,119 in health, education and sustainable livelihood capacity-building efforts in PNG.

1 The Company estimates Laos' real GDP to be approximately US\$14.1bn. Total Phu Bia Mining activity including indirect benefits through employment, training, community development and payments to local suppliers accounted for 3.3 per cent of this estimated GDP.



ENVIRONMENTAL PERFORMANCE

- Progressive rehabilitation of new and existing landforms across Operations in Laos reflecting stakeholder expectations on revegetation, erosion control and surface water management activities.
- 'A' class certification for Phu Bia Mining as a 'mining company with excellent environmental management and monitoring practices' from the Ministry of Natural Resources and Environment (MONRE) in the Government of Laos.
- Well-established environmental monitoring programs for air quality, noise, vibration, water quality and mine site discharges to ensure compliance with required standards.
- Mine waste and tailings management aligned with international best practice.
- Progressive rehabilitation programs to meet key area objectives in line with mine closure planning.
- Completion of all Environmental Permits work packages for the Frieda River Project, including:
 - Independent Peer Review technical reports for the Frieda River Hydroelectric Project design.

HEALTH AND SAFETY PERFORMANCE

- Total Recordable Incident Frequency Rate (TRIFR) of 0.32 and lost time injury frequency rate (LTIFR) of 0.06, significantly better than industry averages.²

OUR PEOPLE

- Maintained 21 per cent female participation.
- Maintained 92 per cent localisation of employees in Laos.
- Implemented a new simplified organisational structure for short and long-term strategic growth objectives.

² International Council Metals and Mining (ICMM) Safety Performance Report; Benchmarking progress of ICMM company members in 2023.

2024 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 Phu Kham and Ban Houayxai.
- 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 and facilitate the development of existing projects 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's 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, Chile and Myanmar.
- Implement and operate the new, cloud-based Enterprise Risk Management system.
- Draft and implement a new information management standard to manage the retention of corporate information.
- Negotiate extensions to licences, permits and concession agreements with host governments.
- Implement appropriate Board supervision of management after a change of Board members.
- Ensure full compliance with PanAust's sustainability policy and international standards, which continue to evolve, and the robust project approval and stakeholder engagement legislative processes in PNG, 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.
- Re-establish the new CDF MOU and plans for Phu Kham and Ban Houayxai in conjunction with the Xaysomboun Province and host communities.

- Continue robust stakeholder engagement and capacity-building programs in PNG.
- Manage cultural sensitivities on the Frieda River Project as the study team works on identifying land and tribal boundaries between groups who have contesting claims.

ENVIRONMENTAL PERFORMANCE

- Support 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, Ban Houayxai Operations and the Frieda River Project.
- Identify further opportunities to improve energy efficiencies to reduce the companies carbon footprint.
- Continue to understand and manage the risk profile of Operations in Laos, in particular in areas such as mine waste management (tailings and acid rock drainage) and water management.
- Continue monitoring environmental concerns/potential impacts from the external third-party companies operating around the Phu Bia Mining operations, within the Contract Area which increases the risk to the downstream environment and community due to poor environmental management from these companies.
- Establish environmental monitoring and integration of the Ban Houayxai Extension development into the existing Ban Houayxai Environmental Management Systems
- Progressive rehabilitation and closure planning.

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 an increasing number of contractors for underground and mine extension projects to enhance their safety culture and ensure that they meet PanAust's safety performance expectations.

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, people strategy and employee capability continue to support the company's short, mid and long-term objectives.

SUSTAINABILITY PERFORMANCE

■ Positive performance ■ Positive progress ■ Further focus required

Targets	Results	Commentary 2023	2024 Target
Economic performance			
Achieve budget for production and costs.	■	Production was above budget for Phu Kham and Ban Houayxai. Costs were below budget for Phu Kham but above budget for Ban Houayxai.	Achieve budget for net profit after tax (NPAT) and costs.
Obtain environmental permits through active engagement of the Conservation and Protection Authority (CEPA) and the Environmental Council.	■	In 2023, Frieda River Limited continued to engage with CEPA. As the permit approval process advanced, Frieda River Limited was requested to appear before the PNG Environment Council. CEPA is currently preparing a submission to the Environment Council for their decision on the permit.	Obtain environmental permits through active engagement of CEPA and the Environmental Council. Position Frieda River Limited in the Government of PNG's bilateral engagements.
Advance the Technical Assessment with the Mineral Resources Authority.		Several high-level government engagements were held with ministers and senior government bureaucrats to position the Frieda River Project as a project of national importance.	Continue to implement proactive stakeholder engagement programs in accordance with PanAust's Stakeholder Engagement Plan and Sustainability Policy.
Continue to implement proactive stakeholder engagement programs in accordance with PanAust's Stakeholder Engagement Plan and Sustainability Policy.		Meanwhile community engagement programs continue to occur within the seven land-owning communities. The same engagements also extended to the Frieda River Project footprint communities. These engagements involve local government and subnational government administration meetings on a quarterly basis.	
Complete Ban Houayxai Extension infill and extensional drilling to inform feasibility study by mid-June.	■	Ban Houayxai Extension infill drilling completed during 2023. Increased confidence in resource to enable decision making.	Develop and drill targets in the north of the Ban Houayxai Extension area.
Complete Nam San extensional drilling to inform further underground development studies.		Nam San extension drilling at Phu Kham completed during 2023.	Start drilling the Ban Houayxai underground resource.
Recommence regional exploration in Myanmar should the political situation allow.	■	Access to areas remains closed due to ongoing conflict. Decision made to exit from Myanmar.	Exit from Myanmar, relinquishing the current tenements and winding up the Myanmar business.
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.	■	Ongoing issues with third party encroachment onto the contract area limited exploration footprint.	Develop and drill targets in the north of the Ban Houayxai Extension area. Start drilling the Ban Houayxai underground resource. Develop additional resources in and around Phu Kham and Long Chien Track to support copper and gold production.

■ Positive performance ■ Positive progress ■ Further focus required

Targets	Results	Commentary 2023	2024 Target
Identify and evaluate gold base metal opportunities for Saisana Lao Resources including initiation of exploration programs on joint ventures and acquisitions.	■	Opportunities progressed with copper targets reviewed. Awaiting establishment of joint venture agreements to be finalised to progress projects.	Establish Saisana Joint venture agreement, identify and evaluate copper targets.
Governance			
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.	■	Regional standards on anti-bribery and corruption and donations were amalgamated into a single Group wide standard. A centralised online gifts register was also developed and the guiding principles and checklist for assessing donation and sponsorship requests strengthened. The Modern Slavery Report was published in June 2023 however the procurement procedures have not been updated to cover modern slavery and sanctions.	Identify procurement procedure improvements for modern slavery and sanctions risks in supply chains.
Prepare and publish an externally assured 2022 Sustainability Report to the GRI Standards.	■	2022 Sustainability Report published.	Prepare and publish an externally assured 2023 Sustainability Report to the GRI standards.
Social performance			
Complete all outstanding projects and implement additional projects for 2023. Complete socio-economic household survey for near mine communities. Advance Sustainable Livelihoods Program focusing on agricultural development.	■	10 of the 12 outstanding CDF projects delayed due to Covid restrictions have now been completed and handed over the hosted communities and Xaysomboun Province. The report on socio-economic household survey conducted in October and November 2022 was finalised. The third-party consultant (Civitas-Lao) conducted the project evaluation and finalised the report.	Two outstanding projects will be completed. Distribute and use the key data from report for CDF planning. Disclose the outcomes and findings from project evaluation and review to the Xaysomboun Province for further development of the Program.
Establish a new CDF Memorandum of Understanding (MoU) with the local government in the Xaisomboun Province.	■	Revised CDF MoU drafted awaiting finalisation of the MEPA 4 Amendment and further engagement with the Xaisomboun Provincial Government.	Agree the new CDF MoU with the Xaysomboun Province.
Continue positive engagement practices and elevate media and public relations activities.	■	Strong government and community relationships maintained in Laos, Thailand, Vietnam and PNG.	Continue positive engagement practices and elevate media and public relations activities.

Targets	Results	Commentary 2023	2024 Target
Environmental performance			
No level 3 environmental incidents.	■	No level 3 environmental incidents were recorded during 2023.	No level 3 environmental incidents.
Review and update PanAust Sustainability Policy to include a commitment on emissions, energy and decarbonisation.	■	A review of the Sustainability Policy was undertaken in 2023 against the International Council of Mining and Metals (ICMM) Mining Principles performance expectations and the Minerals Council of Australia (MCA) Enduring Values Principles. These changes are expected to be approved by the PanAust Governance Committee in 2024.	Publish the updated PanAust Sustainability Policy including a commitment on climate change.
Complete Final Mine Closure Plan for the Phu Kham Operation. Advance discipline-specific studies for the Closure Feasibility Study.	■	<p>Completion of the final Mine Closure Plan for Phu Kham was delayed after consultation with the Government of Laos. Due to the extension of the Phu Kham mine life, the plan will no longer be a Final Mine Closure Plan but an updated Preliminary Mine Closure Plan.</p> <p>Several studies were advanced in 2023 including:</p> <ul style="list-style-type: none"> ■ Updated closure risk assessment for Phu Kham. ■ Updated Phu Kham water balance study. ■ Closure team expanded with GIS specialist and senior civil engineer. ■ Water balance study for TSF. ■ Progressed the Red Road Waste Dump PAF cell cover conceptual design. ■ Progressed the original heap leach Gold Mine Operation remediation study. ■ Demolition study commissioned for Phu Kham. ■ Developed new GIS database. ■ Re-organised closure domains for Phu Kham. 	<p>Update the Preliminary Mine Closure Plan for Phu Kham and submit it to Government of Laos by July 2024.</p> <p>Progress mine closure studies in 2024 to include updates to the closure groundwater and water balance studies for Tailings Storage Facility (TSF) and mine pit, long term landform erosion study, finalisation of the demolition study, stage 1 contaminated land study, ongoing geochemical investigations and active closure mine plan study.</p>

■ Positive performance ■ Positive progress ■ Further focus required

Targets	Results	Commentary 2023	2024 Target
Health and safety performance			
Zero fatalities on controlled work sites.	■	PanAust achieved zero fatalities across its worksites.	Zero fatalities on controlled worksites.
Total Recordable Injury Frequency Rate (TRIFR) of ≤1.3.	■	Achieved a TRIFR of 0.32 at the end of 2023 from 5 recordable injuries.	TRIFR of ≤ 0.93
Crisis management training process review and training.	■	While crisis management training was not carried out at the corporate level, it was at the asset level including a mass casualty exercise and two TSF wall slump simulations.	Carry out a process review and training for the PanAust Crisis Management Team plan.
Further embed the Critical Control Verification (CCV) Program across the Company.	■	CCV activities now included in the Company positive performance indicator program.	Continue to embed the CCV Program across the Company.
Our people			
Maintain Lao localisation at 92 per cent.	■	Lao localisation maintained at 92 per cent.	Maintain Lao localisation at 92 per cent.
Graduate the current students and recruit students for the 2024/2026 program.	■	In 2023, Phu Bia Mining graduated 41 Trade Apprentices after completion of their three Year Apprentice Program. In late 2023, 32 new trainees were recruited for the 2024/2026 program including two contractor trainees.	Commence 2024 three year accelerated apprenticeship program.

PANAUST'S VISION, MISSION AND VALUES

The Vision, Mission and Values are critical for future direction and motivation, purpose and focus and to set the cultural foundation. During 2023, the PanAust senior leadership team held a four-day strategic planning session with 19 leaders from across the business and focused on our people, current and future growth opportunities and continuous improvement. During the four-day session, a new Vision, Mission and Values were developed.

VISION

A diversified, multi-cultural, innovative and responsible business delivering sustainable value.

MISSION

As a values-driven organisation, we create long-term financial success by discovering, developing and sustainably operating our business in an environmentally, socially and culturally responsible way.

VALUES



CARE

- People are the heart of our business, and their safety is paramount.
- Respect the environment by minimising our impact.
- Enhance the livelihoods of local communities by being a trusted, included member.
- Embrace the diversified workplaces and communities in which we live and work.



LEADERSHIP

- Lead ourselves and others with courage and accountability.
- Inspire and empower those around us to achieve their goals.
- Maintain open and transparent communication with our people, communities and stakeholders.
- Make values-based decisions.



INTEGRITY

- Do the right thing, even when it is difficult.
- Build lasting relationships based on credibility and trust.
- Do what we say we are going to do.
- Practice high ethical standards and take responsibility for our actions.



PERFORMANCE

- Set high standards for ourselves and our work.
- Understand our priorities while improving efficiency in everything we do.
- Focus on continuous improvement, agility and responsiveness.
- Drive progress through innovation and simplification.

STRATEGY

The three strategic objectives of the Company are sustain, grow and acquire:

- Sustain the business in the short term through the extension of mine life at Phu Kham and Ban Houayxai operations;
- Grow the business organically through the Mineral Resource Development (MRD) program and targeted exploration activities in Laos;
- Continue to progress the Frieda River Project in Papua New Guinea (PNG);
- Pursue a bankable feasibility study for the Inca de Oro project in Chile; and
- Acquire quality operating assets.

The Company continues to progress technical reviews of mine plans for additional life-extensions to existing operations during 2023. As a result of these technical reviews, both Phu Kham and Ban Houayxai mine lives have been extended to 2026 and 2029 respectively, with further extension opportunities being progressed. The Company is also progressing business development opportunities including the acquisition of new mines.

At Frieda River, the Company is continuing to work with the Government of PNG and regulators to progress the Environmental Permit application and the Special Mining Licence (SML) application for the Frieda River Project. The environmental permits, field work programs and review programs have all been completed.



**THE THREE STRATEGIC OBJECTIVES
OF THE COMPANY ARE SUSTAIN,
GROW AND ACQUIRE.**



ECONOMIC PERFORMANCE



FINANCIAL CAPITAL AND MANUFACTURED CAPITAL

MATERIAL ISSUES

FINANCIAL PERFORMANCE AND GROWTH

Sustainable shareholder value and financial returns are realised. Expected returns are delivered from mine life extensions. Investment is secured for new projects and a capital structure to facilitate growth and accommodate end of mine life. Consistent operational cashflow is maintained.

OPERATIONAL PERFORMANCE AND RESPONSIBLE PRODUCTION

Operational performance goals are achieved (converting mineral resources into ore then producing metal) by focusing on the strategy. Operating discipline is maintained, including guarding against failure of plant, such as the pit wall and tailings storage facility (TSF) and business interruptions. Responsible mining practices and production are employed, including materials and resource efficiency.

KEY METRICS

Metric	2023	2022	2021	2020	Performance compared to 2022
Net Profit After Tax USD\$M	89.5	90.0	44.7	42.0	0.6 per cent decrease
Cash balance USD\$M	231	217	212	141.5	6.5 per cent increase

OUR STAKEHOLDERS TOLD US...



IT IS IMPORTANT TO US THAT PANAUST PERFORMS WELL FINANCIALLY. WE COULD BE CONCERNED ABOUT THE PRODUCTION GAP WHEN THE MINE SITES IN LAOS REACH CLOSURE.

Andrew Briscoe, Head of Australian Operations, MRI Trading Resources (customer)

INTRODUCTION

Without operations, there is no production... without production, there is no revenue

With the Phu Kham mine due to close in 2026, timing is tight to bridge the expected production gap and related lack of revenue. In mining, without operations producing minerals, there is no revenue. Underground mining looks set to save the day at Ban Houayxai with the extension looking promising, but underground mining will be more expensive and bring new challenges. Some of these challenges are explored in the case study later in this chapter. Exploration at Phu Kham has been impacted by encroachment from small scale mining, but we hope to get some of the encroached areas back.

The Frieda River Project in Papua New Guinea (PNG) will not reach production soon enough to replace Phu Kham, but we also have opportunities in Chile, it is all in the timing. That said, the ports and forestry roads are finally being constructed in PNG, providing hope of progress soon. Purchasing already producing mines is another option, but that is easier said than done with operational assets becoming increasingly harder to come by.

Cost reduction is another strategy to achieve more sustainable financial performance. We know that our standards are high, with operations not only fit for purpose, but typically demonstrating world's best practice. Adopting a smaller operating model by getting projects going then extending them out could make sense. There are other cost reduction opportunities to explore, such as streamlining our tailings dam governance and procurement processes.

In this chapter, we start with the material issues, namely financial performance and growth and operational performance and responsible production. For continuity of reporting year-on-year, we have included relevant data and a summary of our approach to exploration and production growth, alongside an overview of our approach to innovation.

A case study highlights the risks faced in technology innovation, explaining how it does not always work as planned. Over time, we may move some of this information online to enable a more succinct integrated report.

In 2023, PanAust achieved a consolidated net profit after income tax (NPAT) of US\$89.5m. This outcome was driven by higher copper production at Phu Kham, enabling an increase in copper sales volumes and higher gold prices. However, this was partially offset by challenges such as lower gold sales volumes and lower copper prices.

Group consolidated annual metal production performance against budget was higher in 2023, with 50,120 tonnes (t) of copper in concentrate produced (up from 37,162 t in 2022). Gold and silver production totalled 112,380 ounces (oz) and 589,071 oz respectively in concentrate and doré (a decrease in gold production from 129,334 oz in 2022 and a decrease of silver production from 686,264 oz in 2022).

FINANCIAL PERFORMANCE AND GROWTH



MANY MEMBERS OF OUR COMMUNITY WORK AT THE MINE SITE AND APPRECIATE HOW RELIABLY THEIR SALARY IS PAID ON THE SAME DAY EVERY MONTH.

Mr Sonsay Ketmeuangvong, Nam Mo community member

FINANCIAL PERFORMANCE DATA

OPERATIONAL COSTS YEAR-ON-YEAR COMPARISON

	2022	2023	Variance (per cent)
Phu Kham C1* cost (US\$/lb copper)	1.22	1.23	0.8
Phu Kham all-in sustaining cost# (US\$/lb copper)	2.62	2.00	(23.7)
Copper price (including price adjustment and hedging) (US\$/lb)	4.02	3.91	(2.7)
Ban Houayxai C1* cost (US\$/oz gold)	894	1,496	67.3
Ban Houayxai all-in sustaining cost# (US\$/oz gold)	1,512	2,121	40.3
Gold price (including price adjustment and hedging) (US\$/oz)	1,817	1,922	5.8

* 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





OUR APPROACH

We need to grow the business while there is still capacity to do so. Growth is important to give banks the confidence to lend to us and our partners the confidence that we will deliver financially.

Financial performance is also important to customer relationships. Without revenue, nothing is possible. Reduced revenue not only impacts our business but also the governments of the countries in which we operate and local contractors and suppliers who depend on us for business. Communities also rely on the jobs we provide in Laos.

Higher metal prices and higher milled volumes continued to support financial performance in 2023, however this was partially offset by increased consumable costs, such as higher diesel and emulsion prices.

PanAust's consolidated NPAT for 2023 decreased marginally to US\$89.5m (2022: US\$90m), with underlying earnings before interest, taxes, depreciation and amortisation (EBITDA) increasing to US\$221m (2022: US\$190m). Sales revenue from ordinary activities increased to US\$643m (2022: US\$536m) driven by the 35 per cent increase in copper concentrate production. Average prices realised for sales (including price adjustment and hedging) during 2023 were US\$3.91/lb for copper, US\$1,922/oz for gold and US\$24/oz for silver (2022: US\$4.02/lb, US\$1,817/oz and US\$22/oz respectively).

During 2023 PanAust entered into two foreign currency working capital loans for a total of US\$170m with a term of three years each. Principal and Interest are repaid throughout the term of the loan and, at the end of 2023, principal repayments of US\$17m had been made. At the end of 2023, PanAust continued to generate positive cash flow with a closing cash balance of US\$231m.

CASH FLOWS AND SALES

Net cash inflow from operating activities was US\$174m (2022: US\$173m).

CAPITAL EXPENDITURE

More than US\$30m in capital expenditure occurred on major development projects in Laos in 2023 (2022: US\$15m), most of which related to the South Wall Cutback project.

BALANCE SHEET

At the end of 2023, PanAust had a cash position of US\$231m (2022: US\$217m), external debt of US\$153m (2022: zero) and no mobile equipment lease facilities (2022: 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.

OPERATIONAL PERFORMANCE AND RESPONSIBLE PRODUCTION



I'VE VISITED BOTH PHU KHAM AND BAN HOUAYXAI AND SEEN FIRST-HAND WHAT A GOOD OPERATOR PANAUST IS IN LAOS, TAKING CARE TO MANAGE ITS IMPACTS, IN PARTICULAR ENVIRONMENTAL.

Aekananh Keosouvath, Banker, Austcham Lao (industry association)

OPERATIONAL PERFORMANCE DATA

PHU KHAM COPPER-GOLD OPERATION PRODUCTION STATISTICS

	2022	2023	Variance (per cent)
Total material mined (Mt)	40.82	35.38	(13)
Ore milled (Mt)	10.77	11.05	3
Copper grade (per cent)	0.42	0.54	29
Gold grade (g/t)	0.24	0.23	(4)
Silver grade (g/t)	1.16	0.91	(22)
Concentrate produced (dmt)	160,858	217,851	35
Copper in concentrate (t)	37,162	50,120	35
Gold in concentrate (oz)	44,490	44,878	1
Silver in concentrate (oz)	175,748	154,596	(12)

BAN HOUAYXAI GOLD-SILVER OPERATION PRODUCTION STATISTICS

	2022	2023	Variance (per cent)
Total material mined	17.05	18.56	9
Ore milled (Mt)	4.70	5.27	12
Gold grade (g/t)	0.72	0.490	(32)
Silver grade (g/t)	6.8	5.00	(26)
Gold in doré (oz)	84,844	67,502	(20)
Silver in doré (oz)	510,517	434,474	(15)



OUR APPROACH

The Company delivered another strong financial result, improving the sustainability of the business during 2023. This outcome was delivered by continuing to implement rigorous operational and financial strategies to maximise open pit production, crusher and processing plant availability, mill throughput and copper and gold recovery. This enabled the pursuit of further exploration and life of mine extension opportunities.

Major infrastructure works continued at Phu Kham in 2023 to enable pit expansion to the south (South Wall Cutback project), unlocking access to the copper ore below. These works included completion of the new primary crushing station and conveyor circuit. Commissioning of the new crushing station commenced in January 2023 (see page 32 for more information).

Significant infrastructure works commenced at Ban Houayxai in 2023 in support of the life of mine extension to 2029. This included expansion works for the tailings dam, the commencement of an underground exploration-decline underneath the existing open pit (see case study on page 29) and extension satellite mine construction activities across the reservoir from the existing open pit operations. Negotiations were advanced in relation to the fourth round of proposed amendments to the MEPA requested by the Government of Laos.

The internal negotiation committee formed during 2022 continued to meet with the Government of Laos throughout the year to work on these MEPA revisions. Negotiations continued throughout 2023 with 4th amendment revisions expected to be finalised in 2024.

Ongoing infill and extensional drilling took place at the Ban Houayxai Extension deposits, 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 two proposed satellite open pits and WRD foundations. A Pre-Feasibility Study (PFS) was submitted to the Government of Laos, and a project execution team formed in anticipation of early works beginning. Other near mine exploration works were undertaken around Phu Kham and Ban Houayxai with the intent of developing satellite targets for potential ore feed to the sites.

PHU KHAM COPPER-GOLD OPERATION

(PANAUST OWNS 90 PER CENT)

OVERVIEW

The Phu Kham Copper-Gold Operation is located approximately 140 km north of Laos' capital city, Vientiane, and is the Company's flagship Operation. It comprises an open pit mine feeding ore to a processing 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. During 2023, seventy per cent of Phu Kham's concentrate was trucked in covered containers to the port of Hon La in Vietnam (approximately 650 km from the Phu Kham) and the remaining 30 per cent to Sriracha Harbour in southern Thailand (approximately 1,000 km from Phu Kham) for export to smelters, primarily in Asia. Cost modelling of the concentrate logistics haulage routes was undertaken in mid-2023 and it was determined that, with declining volumes of copper concentrate from 2024 onwards, cost savings could be realised by swapping to one hundred per cent of concentrate shipped via Thailand.

Phu Kham benefited from higher metal production in 2023, lower operating costs and efficiency improvements.

MINING AND PROCESSING

In 2023, Phu Kham recorded a higher increase in production than budgeted, with 50,120 t of copper concentrate produced. This was due to higher production from the open pit coupled with higher crusher and processing plant availability, higher mill throughput and higher copper and gold recoveries. Silver in concentrate also increased in 2023 compared to budget but was lower than 2022 production by 12 per cent, due to a 22 per cent decrease in the silver grade. The 2023 C1³ and all-in sustaining costs (AISC)⁴, after precious metal credits, was US\$1.23/lb and US\$2.00/lb of copper respectively.

Mining operations performed well during 2023, even with the emergency change to the mine plan to account for the delays to the decommissioning of the original primary crusher. Total ex-pit material mined was ahead of budget at 35.4 Mt, including 11 Mt of ore mined and 11.1 Mt of ore milled. Copper recovery averaged 84.1 per cent, higher than budgeted and 2022. The Phu Kham current Ore Reserve supports a mine life to quarter 1 of 2026.

BAN HOUAYXAI GOLD-SILVER OPERATION

(PANAUST OWNS 90 PER CENT)

OVERVIEW

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

MINING AND PROCESSING

In 2023, Ban Houayxai recorded higher than budgeted production and total material mined, compared to 2022. A total of 18.56 Mt of material was mined in 2023, including 2.8 Mt of ore, with 5.2 Mt processed. Ban Houayxai produced lower metal compared to 2022 with 67,502 oz and 434,474 oz of gold and silver in doré respectively. This decrease was primarily driven by geological variations within the operating pits, resulting in lower head grades.

The average C1 cost after silver credits was US\$1496/oz gold and an AISC of US\$2,121/oz gold was achieved. With the introduction of the Ban Houayxai Extension project in 2022, the mine life continues to 2029.

³ 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

⁴ 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



CASE STUDY

UNDERGROUND AT BAN HOUAYXAI

Interview with Paul Brown, Underground Manager,
Ban Houayxai

Can you sum up underground mining at Ban Houayxai in one word?

"Success. Our exploration work at Ban Houayxai has been done successfully and to a high standard. But most importantly, it has been done safely, with no accidents."

How did you get involved in underground mining at Ban Houayxai?

"Early in 2023, I was approached by Paul Arndt, one of PanAust's Board Directors, about starting underground development in Laos. He knew it would be a challenge, not least because it would be the first underground mine in the country. But as it would be the 11th country in which I have built underground mine projects, I was confident we could make it work. It was then David Reid, General Manager of Operations in Laos, who hired me to get started."

Can you describe what is involved in underground operations?

"Underground mining is used to extract ore safely and economically from below the surface of the earth while creating as little waste as possible. Entry from the surface is via a horizontal or vertical tunnel, known as an adit, shaft or decline. Modern underground mines feature extensive ventilation shafts to clear toxic fumes from drilling and blasting, water drainage systems, access shafts to lower workers and equipment, ore-transport tunnels and recovery shafts to carry excavated ore to the surface and escape routes. High tech communication systems are used to send information to-and-from the surface and computerised machines reduce the number of people needed below ground."

"The costs can unfortunately be higher underground than on the surface. Ground conditions and ore body geometry require underground mining equipment to be much smaller. Access is also more limited. This results in reduced productivity, which can be 5 to 50 times lower than on the surface."

What are the challenges of underground mining at Ban Houayxai?

"The tunnel gave us plenty of challenges! As did starting an underground project in such a remote area with limited experience. Our underground contractor, for example, had limited experience with development cycling, ground support and working to underground Australian standards. During start-up, we had to create our own underground procedures and help our contractors with theirs. Implementing Australian standards in the field required our involvement 24/7. But our people formed a formidable team with the contractors to get the job done safely. Together, we proved this type of mining could work for the future of underground projects here in Laos. But I can't talk about challenges without mentioning the eight different nationalities on the team. We realised early on that we had to conduct our safety meetings in three languages, namely Laos, English and Mandarin!"

When will production start and what is the scale of it?

"Start up and scale depend on the exploration drilling. Infill drilling of 20,000m is currently underway, with completion scheduled for May 2025. The results of this will give our Geology Department what they need to create a model of the ore body and analyse the economics."

Do you think the project will be a success?

"Yes! It already is. Mainly because we have worked hard to build a team with proven operational and technical ability to get the job done safely and to Australian Standards. But also, by training our Laos brothers and sisters to function professionally both operationally and technically. Our work practices are safe, and we have the support of all departments at Ban Houayxai, from Mining to Government Relations and Mobile Maintenance to Risk and Safety. And, last-but-not-least, our people onsite, both expatriates and locals, have "the right stuff", namely determination and the ability to succeed."

Image: Ban Houayxai Underground Team

EXPLORATION AND PRODUCTION GROWTH



STRONG GOVERNMENT RELATIONS HAVE BEEN ESTABLISHED THROUGH SITE VISITS, ALLOWING STAKEHOLDERS TO EXPERIENCE PANAUST'S HIGH STANDARD OF OPERATIONS FIRST-HAND.

Manilath Arounlangsy, Senior Manager External Affairs, PanAust—Laos

OUR APPROACH

Ongoing exploration enables growth to meet increasing demand for copper and other minerals critical to driving the energy transition.

Increased exploration makes sense to capitalise on rising copper demand for the global energy transition to electric vehicles, renewable energy and energy efficient technologies. However, small scale mining in Laos has encroached on areas planned for exploration, limiting our access to resources and potentially impacting the viability of our business (see pages 59 for more on this issue). Business continuity relies on robust development of existing assets into operational mines. It is also dependent on new asset acquisitions. Here is an overview of current exploration underway in PNG, Myanmar and Chile.

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

PanAust, through its wholly owned subsidiary, Frieda River Limited (FRL), holds a 100 per cent interest in the Frieda River Project. The Independent Public Review (IPR) of the Project's EIS and proposed integrated hydroelectric dam facility, which commenced in 2019, was completed by the Papua New Guinea (PNG) Government-appointed independent consultants in 2021.

In 2023, we continued to advance our permitting activities with the Government of PNG. These activities include regular meetings with the Conservation Environment Protection Authority (CEPA) and other peak bodies. Community consultation and engagement programs also took place throughout the year. In July 2023, the Company conducted a month-long community engagement program in the proposed 320-kilometre-long infrastructure footprint corridor area from the project site to Vanimo on the coast.

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

In Myanmar, PanAust holds a 90 per cent interest in Wuntho Resources Company Limited (WRCL). We have also established a joint venture with Myanmar Energy Resources Group International Company Limited, a Myanmar-based company holding the remaining 10 per cent of WRCL. This joint venture holds seven exploration licences covering approximately 1,500 km² in the Sagaing Region.

In February 2021, the Company demobilised and ceased all activities in country.

During 2023, PanAust's Board determined that PanAust would exit from Myanmar due to a lack of 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. Until this time, 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 2023, ongoing infill and definition drilling took place at the Ban Houayxai Extension deposit, to refine resource estimations and sterilise the Waste Rock Dump (WRD) location, moved conceptually from its proposed location in 2022. Concurrently, geotechnical drilling continued for the proposed open pits and the WRD foundations. The project execution team began early works for the extension project during the year, clearing access tracks and commencing development of supporting infrastructure. The Feasibility Study (FS), options studies and the Environmental and Social Impact Assessment (ESIA) were completed during the year and a bridge construction contractor appointed. It is expected that the bridge linking Ban Houayxai to the extension over the Nam Ngum 2 reservoir will commence construction in 2024.

INCA DE ORO COPPER-GOLD PROJECT, CHILE

(PANAUST OWNS 66 PER CENT)

AND CARMEN DEPOSIT, CHILE

(PANAUST OWNS 100 PER CENT)

PanAust completed a feasibility study on the Inca de Oro Copper-Gold Project in 2014. No material site activities were planned or undertaken in 2023, including at the nearby Carmen deposit. This 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), in 2021 to pursue new mining opportunities in Laos. To date, Saisana, in collaboration with local private enterprises and representatives of the Government of Laos, has identified several mining opportunities outside Phu Bia Mining's Mineral Exploration Production Agreement (MEPA) 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 and discussions with vendors continue.

TARGETED ACQUISITIONS

Throughout 2023, 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.



INNOVATION



**SUSTAINABLE REVENUE RELIES
ON STRONG OPERATIONAL PERFORMANCE.**

Jarunee Sirinorrarat, General Manager—Parts, MetroCAT (supplier)

OUR APPROACH

Innovation includes modern technology and services to drive business competitiveness and growth.

Efficiency is at the core of innovation for mining companies, namely the optimisation of our processes to find new and better ways to extract minerals. This requires a culture of forward-thinking creativity to bring in innovative ideas and solutions, ensuring the long-term sustainability of the business. But it can often feel like we are behind on innovation, in need of a change in mindset to become more competitive. Innovation, if done well, drives economic performance through improved efficiency and lowered costs. However, innovation also carries the risk of wasted resources and increased costs if it does not work as expected.

To enable the extension of open pit mining operations at Phu Kham through the South Wall Cutback, the existing crushing station needed to be relocated. After several options assessments, a new style of crusher was selected, different to the existing gyratory crusher at Phu Kham or the jaw crusher at Ban Houayxai.

The new crusher was a sizer that enabled the crushing station to be more compact than the gyratory crusher it was replacing. This more compact design enabled the crusher to be located closer to the existing pit and coarse ore stockpile, resulting in a shorter haul for the haul trucks from the pit to the crusher, as well as a need for less conveyor infrastructure. However, the new crusher was unable to meet the performance design criteria and the old primary crushing station was therefore unable to be decommissioned. This required a change to the 2023 mine plan to account for not being able to cut back the South Wall of the open pit underneath the old primary crushing station.

A Crisis Management Team was established to oversee the site response. Another crusher of a different design was selected. These performance issues resulted in a significant delay of approximately 12 months (expected to be early 2024) to accessing the ore below the old primary crushing station. The following case study explores these challenges and more, looking at the risk of bringing in new technology when innovation does not work as planned.





CASE STUDY

REPLACING THE SWC CRUSHER WITH INNOVATIVE TECHNOLOGY

**Interview with Michael Burrows,
Subject Matter Expert—Processing**

What is the SWC crusher and why did it need replacing?

"As part of the life of mine planning for Phu Kham mine, additional resource drilling identified an opportunity to extend the mine life by implementing the Southwall Cutback Project.

We worked out that we could cutback the pit to access more ore for processing. But unfortunately, it wasn't as simple as using our original crushing equipment. The cutback required a section of the overland conveyor to be removed, which brought the new pit crest right up against the original crushing facility. It became clear that a new crushing plant would be needed in a new location."

What were the key performance criteria for the new technology?

"We established "key performance process design criteria" for the new crushing facility based on historical ore characteristics and future process plant throughput requirements. For the new SWC crusher, these criteria included the ability to crush a maximum run of mine ore feed size, throughput rate, final crushed ore product size and plant availability (operating hours in the year)."

Tell me about the sizer and how it fell short of requirements?

"During performance testing, the sizer would not crush the top feed size. The teeth of the crusher experienced excessive wear, including broken and damaged bolts and loose caps. The excessive wear on the teeth meant that the teeth would need to be replaced far more frequently than anticipated. That would make a large difference in terms of labour, parts and productivity. The sizer only remained operational for two short periods of time during the performance tests. Ultimately, the sizer didn't perform to our requirements."

What were the challenges when things didn't go smoothly?

"Understanding the root cause of our problems was the biggest challenge, namely why the sizer couldn't achieve the process design criteria. Another challenge is the ongoing dispute with our supplier. We had to determine if modifications to the proposed sizer configuration could resolve the issues of excessive wear. The impact on the downstream operation was another challenge. These hurdles, and trying to solve them, all took considerably more time than planned and we had to modify the mine plan as a result. This, in turn, had an impact on production by delaying the south wall cutback."

What happens now, what are the next steps to getting things back on track?

"The solution in the end was to install a different crusher from another supplier. This required re-engineering of the crushing tower, modifications and installation. All-in-all, it took around 8 months before it was operational again, which didn't happen until the first quarter of 2024."



SOCIAL PERFORMANCE

SOCIAL AND RELATIONSHIP CAPITAL

MATERIAL ISSUES

STAKEHOLDER ENGAGEMENT AND RELATIONSHIPS

Engagement and relationships with local communities, indigenous peoples and governments to understand their vulnerabilities and priorities with respect to our impacts. Employment of grievance management and compensation processes, where needed.

COMMUNITY DEVELOPMENT AND SUPPORT

Local capacity-building through training and education, local employment and business opportunities. Protection of cultural heritage, enhancement of public health, reduction of poverty, improved access to clean water and food security, development of infrastructure and provision of disaster relief.

“Without social licence granted by local communities, a project may never get off the ground. It is important to engage the community right at the start, building relationships based on trust for the life of the mine.

Daniel Poerola Gambi, Business Evaluation Director, Codelco-Casa Matriz

HUMAN RIGHTS AND INDIGENOUS PEOPLES

Respect for the human rights, interests, cultures, customs, values and the way of life of communities affected by our activities, including their rights to land, water and other resources. Upholding indigenous rights and free, prior and informed consent, agreement negotiation and implementation, truth and reconciliation. Guarding against human rights violations relating to security practices, child labour, forced labour and modern slavery and operations in conflict-affected high-risk areas.

ARTISANAL AND SMALL-SCALE MINING

Informal small-scale and artisanal mining with minimal or no mechanisation, undertaken by individuals, families, or co-operatives as a source of income and livelihood.

“Encroachment for artisanal and small-scale mining presents a real challenge in areas immediately adjacent to PanAust’s mining operations, where exploration activity is planned.

Manilath Arounlangsy, Senior Manager External Affairs, PanAust (Laos)

OUR STAKEHOLDERS TOLD US...

“THE PNG HEALTH SERVICES RECOGNISE INTERPLAST’S LONG-TERM COMMITMENT TO DELIVERING SURGICAL SERVICES IN PNG. WITH PANAUST’S SUPPORT, WE ARE ABLE TO EXTEND OUR SCOPE AND REACH.

Jess Hill, Director of International Programs, Interplast

KEY METRICS

Metric	2023	2022	2021	2020	Change from 2022 to 2023
Investment in local communities (community development, sponsorships, donations) US\$M	1.07	0.54	1.10	0.43	98 per cent increase
Total contribution as a per centage of EBITDA	0.48	0.29	0.50	0.33	66 per cent increase
Per centage of goods/services sourced locally (Laos/PNG)	49	49	55	46	no change



INTRODUCTION

One thing we can be certain of is change

Stakeholder engagement and relationships change as mine sites go through the various stages of approval, development, operation and closure. In Laos, production at our mine sites is coming to an end, with some extension achieved through underground mining plans. This will have impacts for local jobs and the products and services provided to the mines, affecting peoples' livelihoods and the economy. We continue to work closely with the stakeholders involved on effective closure planning. In PNG, as our mining activities near approval, plans are becoming more real for the local community, with open and transparent communication increasingly important. In Chile, we continue to undertake exploration activities and stakeholder relationships remain unchanged.

In this chapter, we take you through the processes in place for stakeholder engagement and relationships, which have respect for human rights and indigenous peoples at their core. We also outline the support we provide for the communities in which we operate, across local employment, business opportunities, improved infrastructure and services. There is a delicate balance in Laos with respect to artisanal and small-scale mining, which can impact our ability to undertake planned exploration work, thus affecting our productivity and financial performance. We outline this issue and how we are trying to manage it.



RESETTLEMENT IS ONE OF THE PROJECTS ON WHICH THE PEOPLE NEED MORE INFORMATION FROM THE COMPANY. WITH RESETTLEMENT, THE NEEDS OF MOTHERS AND CHILDREN MUST BE CONSIDERED, AND LESSONS LEARNT FROM OTHER MINE SITES. THE COMPANY NEEDS TO COMMUNICATE CLEARLY ON WHY OUR VILLAGE SHOULD MOVE FROM ITS CURRENT SETTLEMENT, AND PLAN WELL FOR THE WOMEN AND CHILDREN.

Christina Nathan, Wameimin 2 Village, PNG

STAKEHOLDER ENGAGEMENT AND RELATIONSHIPS

“**WHATEVER PANAUST IS DOING ON
STAKEHOLDER RELATIONS, KEEP DOING IT!**”

Andrew Briscoe, Head of Australian Operations, MRI Trading Resources

OUR APPROACH

PanAust actively partners with host communities, governments, employees and other key stakeholders to safeguard human rights, promote equity and ensure respectful ongoing dialogue. This includes recognising and respecting traditional rights, values and cultural heritage.

Host communities benefit from taxes and royalties, local employment, our sourcing of local goods and services, investment in infrastructure, training programs, capacity-building and long-term social and economic development projects. Our goal is to help communities build lasting capacity to shape their own development. Socio-economic survey data is used to ensure we meet community needs and align with government plans and aid agencies operating in the region.

A robust management system aligned with International Finance Corporation (IFC) Performance Standards aims to ensure accountability and transparency. Host communities have access to PanAust's Community Relations Teams to raise grievances, complaints, concerns or requests. In cases where operations unavoidably impact livelihoods, the company activates compensation and mitigation schemes to ensure fair outcomes.



STAKEHOLDER ENGAGEMENT

HOW WE ENGAGE WITH EACH STAKEHOLDER GROUP AND WHAT ON

Stakeholders	Engagement mechanisms	Engagement priorities
Employees, contractors	<ul style="list-style-type: none"> Team meetings—daily, weekly, monthly. Workplace representatives committee. Health Safety Environment Community Committee monthly meeting with employee health and safety representatives. Employee briefings and toolbox talks. Posters, newsletter, website, intranet. Competency development—trades training (apprenticeships), leadership, Lao localisation. Fair Treatment process for employment-related concerns not addressed via other processes. External remuneration benchmarking. Employee engagement survey and action plan. Employee Awards Program. 	<ul style="list-style-type: none"> Health, safety and wellbeing. Employment terms and conditions (inc. remuneration). Continuity of employment. Development and training. Environmental management.
Landowners, host communities	<ul style="list-style-type: none"> Free, prior and informed consent (FPIC)—ensuring indigenous communities fully understand and agree to projects before they commence—IFC Performance Standard 7: Indigenous Peoples. Stakeholder engagement plans. Structured consultation, surveys, community advisory panels, community workshops, site tours, routine meetings, regular informal interactions—to integrate their insights into business decisions. Formal grievance management process—to address concerns transparently and build trust. Participation in cultural events and festivals. Local capacity building initiatives. Partnerships with local NGOs and government on social and environmental initiatives. <p>Specific to Frieda River in PNG:</p> <ul style="list-style-type: none"> Engagement on landownership claims. Consultation with communities on proposed infrastructure corridor—Sandaun Provincial Administration, Mineral Resources Authority (MRA), Conservation and Environment Protection Authority (CEPA). Community health awareness programs. Response to the magnitude 7.1 earthquake. High frequency (HF) radio communications due to lack of mobile coverage – medical consultations, project matters, status updates, grievances, facilitating communications between villages. Helicopter transportation—bringing community leaders to the project site for larger discussions, taking team members out to communities. Fact sheets—in Tok Pisin and English, on environmental obligations, community support and development, copper-gold project, hydroelectric project, Sepik Infrastructure Project, Sepik Power Grid Project. <p>Specific to Phu Kham and Ban Houayxai in Laos:</p> <ul style="list-style-type: none"> Abridged version of Business Review and Sustainability Report in Lao about Phu Bia Mining. Awareness campaigns related to Cyanide safety and landslide awareness. Community health awareness programs for COVID-19 and dengue fever. 	<ul style="list-style-type: none"> Environment and social impacts. Land access for project development, operations. Community health, safety and wellbeing. Local capacity-building—training, education. Local employment. Local business opportunities. Enhancing public health. Poverty reduction. Access to clean water. Food security. Infrastructure development. Donations. Grievance management. Compensation payments. Closure planning (Laos).

Stakeholders	Engagement mechanisms	Engagement priorities
Governments <ul style="list-style-type: none"> Local Provincial Central 	<ul style="list-style-type: none"> Scheduled/ad-hoc meetings and agreements with ministries and departments. Site visits for government officials. Tailored responses to queries. Joint community development initiatives. Provision of regulatory information. Participation in compliance assessments. <p>Government of Laos:</p> <ul style="list-style-type: none"> Government representatives at Phu Kham and Ban Houayxai—for transparent and productive relationships at the operational level. Monthly and annual reports from PanAust Government Relations Team. Online portal for company information. <p>Government of PNG:</p> <ul style="list-style-type: none"> Joint Provincial Consultative Committee (JPCC)—officials from West and East Sepik Provinces, relevant district officials and national government agencies, MRA and CEPA—meets quarterly (3 times in 2023). JPCC information workshop—February 2023—key recommendations of the Independent Reviewers of the Environment Impact Statement and the Large Dam. JPCC request—provincial administrations increase independent funding of FRL-related activities. Shareholder meeting—October 2023—with senior government officials—permitting and investment in the Frieda River Project. Frieda River Project updates—MRA, CEPA. 	<ul style="list-style-type: none"> Compliance with national, regional and local legislative, regulatory and policy requirements—including permitting, impact assessments and exploration licensing. Economic contributions, including local employment, business opportunities and workforce localisation. Progression of project approvals. Community development. Closure planning (Laos).
Parent company (GDRH), Board of Directors	<ul style="list-style-type: none"> Board meetings. Shareholder meetings, site visits, presentations. Business Review and Sustainability Report. Internal management reporting. Company announcements, media reports, website, corporate videos. 	<ul style="list-style-type: none"> Sustainable growth in shareholder returns. Continuous improvement. Operating discipline. Risk management. ESG performance against benchmarks. Stakeholder relationships. Exec remuneration.
Joint venture, equity partnerships	<ul style="list-style-type: none"> Joint venture management committee meetings. Board and shareholder meetings. Technical meetings. Reporting on relevant matters. Tailored responses to ad hoc issues. 	<ul style="list-style-type: none"> Sustainable financial performance. Project development. Operating discipline. Safety. Risk management. Compliance. ESG performance. Stakeholder relationships. Benefits for host communities. Permitting status disclosure—EIS, SML, feasibility studies, approvals.
Senior management	<ul style="list-style-type: none"> Strategic direction from the Board. Relevant Board papers. Presentations by industry experts. Interactions with employees, stakeholders. Site visits. 	<ul style="list-style-type: none"> Sustainable growth in shareholder returns. Personnel safety. Continuous improvement. Operating discipline. ESG performance. Stakeholder relationships. Risk management.

Stakeholders	Engagement mechanisms	Engagement priorities
Customers	<ul style="list-style-type: none"> Technical support—product quality, use, handling, safety, benchmarking. Regular customer communications—updates, site visits, virtual meetings. Tailored responses to queries. 	<ul style="list-style-type: none"> Product stewardship. Reliability of supply. Product safety. Product quality. Cost. ESG performance—materials and resource efficiency, waste, lifecycle.
Suppliers	<ul style="list-style-type: none"> Requests for proposals, tendering, contracts. Major supplier pre-qualification process. Regular performance review meetings. Specific performance metrics. Monthly performance reports. Price adjustment mechanism—quarterly, six monthly, annually. Commodity price forecasting value add—by suppliers with access to price indices. Inductions. Quarterly contractor safety workshops. Risk management process—one-off projects, incidents. Community workshops—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. Safety workplace inspections. Job Safety Observations (JSOs). Hazard identification (ID). Safety inspections, audits and reviews. ESG performance. Expectations of contractor performance—compliance with PanAust Contractor Health Safety and Environmental (HSE) Management Standard.
Industry associations, peers	<ul style="list-style-type: none"> Memberships—ANZ Business Association in Laos, PNG Chamber of Mines and Petroleum, Australia PNG Business Council, International Copper Association Australia, Minerals Council of Australia. Joint industry initiatives, committees, conferences, market surveys. Benchmarking visits to peer operations. Hosting site visits. Presentations and correspondence. Tailored responses to specific queries. 	<ul style="list-style-type: none"> Knowledge transfer. Leading practice. Industry benchmarking—technology, safety, sustainability. H&S performance. ESG performance. Stakeholder relationships.
Media	<ul style="list-style-type: none"> Corporate announcements, media releases. Tailored responses to media enquiries. Interviews and briefings. 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, operations. Community contributions, development, support. Economic performance. H&S performance. ESG performance. Risk management.
Non-governmental organisations (NGOs)	<ul style="list-style-type: none"> NGO engagements—local and Group level. Attendance/presentation—NGO conferences. Participation in NGO events, forums. Company information for NGO reports. Participation in surveys. Tailored responses to specific queries. 	<ul style="list-style-type: none"> ESG performance. Risk management. Public interest in project development and operations. Community contributions, development, support. Industry alignment and benchmarking—technology, safety, sustainability.
Capital market participants	<ul style="list-style-type: none"> Industry forums/meeting—including ESG. Market announcements. Investor briefings. Participation in surveys. Tailored responses to queries. 	<ul style="list-style-type: none"> Sustainable growth in shareholder returns. Continuous improvement. Operating discipline. Risk management. ESG performance against benchmarks. Stakeholder relationships. Executive remuneration.



CASE STUDY

STAKEHOLDER MAPPING REVIEW

Interview with Jennifer Willcock, Senior Communications Advisor, PanAust

What is a stakeholder map?

"A stakeholder map is a visual representation of those individuals or groups with a vested interest in what we do, as an organisation and for individual projects. Stakeholders come from within our own organisation and from outside, they are internal or external. A stakeholder map helps us understand who these stakeholders are, how they relate to us and how they connect to each other. It also maps interests and level of influence. It is a tool for better understanding stakeholder dynamics, prioritising our engagement efforts and managing stakeholder expectations."

"When we discovered we had more than 210 stakeholders, we had to find a way to prioritise. So, we focused on those scoring a '4' for both influence and interest and made sure we had mechanisms in place to engage with them."

How do you use it?

"After stakeholder identification and ranking is complete, each stakeholder is mapped onto a grid based on their influence and interest scores. All stakeholders fall into one of four quadrants, each of which has its own engagement approach. Starting at the top, we work closely with those of high influence and high interest, maintain confidence with those demonstrating high influence but low interest, keep stakeholders informed if they are of low influence but high interest and monitor and respond to those demonstrating low influence and low interest."

Which stakeholders feature in the stakeholder map?

"Both internal and external. Internal stakeholders include our employees in Brisbane, Laos and Papua New Guinea and our shareholder, Guangdong Rising Holdings Group in China. External stakeholders include potential investment partners, banks, customers, suppliers, community members around our projects, provincial and national governments, insurance providers, business associations and interest groups."

Why is it important to keep it current?

"Stakeholder power and influence can shift in response to market conditions, changes to the organisation and internal organisational dynamics. So, keeping the stakeholder map current is important. Their interests and priorities may also change as exploration projects move into production or as production slows towards mine closure. Hence, revisiting the map at least once a year in this dynamic industry is a valuable thing to do."

What did your review involve and what were some of the updates that came out of it?

"The review involved a workshop to discuss our existing list of stakeholders and their rankings. Project leads and leadership team members provided stakeholder names and scored their level of influence and interest in our business on a scale of 1-4. I don't want to give the impression that the stakeholder list was new, far from it, we've had exploration projects and mines for many years, the list was being reviewed and updated, not created from scratch."

"Historically, the stakeholder map was organised using broad categories, such as the Government of Laos, the Government of PNG and financial institutions. But during the 2023 review and update, we encouraged participants to identify specific stakeholders within each group. Many of the groups consist themselves of a range of different stakeholders with varying levels of influence and interest. By identifying specific entities, such as particular ministries within the Government of Laos, we were able to break down these broad categories. We could then place individual stakeholders on the matrix based on their specific level of influence and interest. This improved focus allows the Communications, Government Relations and Community teams at PanAust to better prioritise and engage with the most critical stakeholders for the business."

If you could sum up stakeholder engagement at PanAust in one word, what would it be?

"Excellence. We consult early and often. We have worked hard to build trust and credibility in the communities in which we operate."

COMMUNITY RELATIONS

PanAust provides inclusive opportunities for men, women, youth and vulnerable groups to engage meaningfully and equitably in consultation, decision making processes and community development initiatives.

These initiatives, which include infrastructure, education and health programs are designed to meet the specific needs of local communities. PanAust's Community Relations teams are comprised of in-country nationals to enable culturally sensitive and effective communication with community members. As a result, stakeholders, particularly those from vulnerable communities, can trust the process and have their voices heard. Trust is the key to the strong community relations vital to PanAust's long-term success, securing a social license to operate, mitigating risks and preventing conflicts that could disrupt operations.

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. These frequent interactions ensure that community members are well-informed and actively participate in decision-making processes relevant to them. This two-way communication allows the Company to respond swiftly to concerns and ensure that decisions are informed by community feedback.

The Company conducts periodic socio-economic surveys to support community engagement and better understand evolving issues and living standards of host communities. These surveys are a key tool for identifying community needs and priorities, informing the design of development programs. They also provide feedback on community engagement effectiveness by assessing the extent stakeholders believe their concerns are being effectively addressed. The outcomes of the household socio-economic survey conducted on the three nearby communities of Ban Nam Mo, Ban Nam Gnone and Ban Nasaysavang in late 2022 were finalised in April 2023, and the results have been instrumental in refining Phu Bia Mining's community development programs (see page 48).

In PNG, PanAust convenes a Community Leaders Forum (CLF) which includes representatives from the seven host villages and two district administrations from the Telefomin and Ambunti districts. The CLF serves as a pre-development forum, allowing the Company to inform and consult with key stakeholders, a process critical to achieving Free, Prior and Informed Consent (FPIC) for the Frieda River Project. By maintaining transparent communication through the CLF, PanAust strengthens community support and ensures voices are heard as the project progresses toward final permitting.

PanAust has hosted CLF meetings since 2014, when it acquired its majority shareholding in the Frieda River Project. In 2023, 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 meetings during 2023 focused on:

- **Consultation with elders:** On a detailed land investigation study into tenements outside the Special Mining Lease. Updating the CLF on high level government engagement on the Company's Environment Permit applications. Seeking CLF support for new initiatives related to social investments.
- **Mining permit:** Updating the CLF on the status of the Company's mining permit application and the independent peer review of its application.
- **Exploration lease:** Seeking CLF support for renewal of Exploration Lease tenements.
- **Community development:** Progressing these programs safely.

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



CASE STUDY

SUPPORTING COMMUNITIES AFTER AN EARTHQUAKE

Interview with Joel Hamago, Country Manager—Frieda River

Tell me about the earthquake that affected local communities in 2023?

"On Monday 3 April 2023 at 4am, a 7.1 magnitude earthquake hit PNG's East Sepik province at a depth of 60 kilometres, sadly killing at least four people. The affected villages near the epicentre were within the footprint of our Frieda River Project. Homes collapsed and water sources for drinking, cooking and bathing were contaminated. People were very scared as everything went quiet, with shakes continuing every few minutes and multiple landslides happening on the riverbank."

"Unfortunately, PNG sits on the Pacific "Ring of Fire", the arc of seismic faults around the Pacific Ocean where much of the world's earthquake and volcanic activity occurs. So, earthquake disasters are not new to this region, in fact, a magnitude 7.6 quake struck back in September 2022, killing 21 people."

What help did they need?

"With people injured, homes destroyed and water sources contaminated, disaster response was needed. We provided immediate logistics support to a disaster response team based out of Wewak, the Provincial Capital."

Left image: Amboin Station—Chambri Lakes: East Sepik Governor Allan Bird addressing the earthquake victims at Amboin village near the epicentre of the earthquake.

Right image: Wom Village—Helicopter flyover Wom Village in the Middle Sepik region. Collapsed housing structures can be seen from the air following the earthquake.

Tell me about the support provided.

"We fortunately have a company-chartered helicopter based onsite at Frieda River and were able to make that available immediately for government and disaster officials to fly into affected areas to assess the extent of the damage. Access to these areas would normally happen by speedboat and motorised canoe. But because the damage was so severe and across several hundred kilometres, it was impossible to conduct a rapid assessment by boat. By providing access to the helicopter, we enabled disaster officials to move between locations, assess the damage and provide a co-ordinated report/response to the National Disaster and Emergency Centre. The money the government would have spent on helicopter charters could thankfully be used for immediate relief assistance instead."

If you could sum up this experience in one word, what would it be and why?

"Immediate. It is important to remember that Frieda River Limited is a corporate resident of Wewak, a Provincial town in East Sepik. In a time of humanitarian crisis, every business needs to lend a hand. We fortunately had a helicopter at our disposal. Offering the helicopter immediately took pressure away from the government having to consider the distance, time and expense involved in visiting affected communities. In hindsight, this caring attitude demonstrated our ability to respond to crises in time and on time."



GRIEVANCE MANAGEMENT

Effective grievance management is core to maintaining positive relationships with local communities, mitigating operational risks and upholding human rights.

A clear and accessible grievance procedure means that community members have a voice, and concerns are addressed transparently and equitably. PanAust's grievance procedure aligns with Principle 31 of the United Nations Guiding Principles on Business and Human Rights. It respects fundamental human rights and promotes fairness and accountability by being:

- **Legitimate:** Based on fair and transparent processes that build stakeholder trust.
- **Predictable:** Provides a consistent process with clear steps for addressing complaints.
- **Equitable and transparent:** Ensures grievances are treated in a fair and open manner.
- **Culturally appropriate:** Tailored to local customs and focused on engagement and dialogue with community members.
- **Accessible:** Available to all stakeholders, including vulnerable groups, ensuring they can raise concerns easily.
- **Rights-focused:** Prioritises protection of human rights in grievance-related actions.
- **Accountable:** Monitored regularly, with annual reporting and public disclosure to maintain transparency and trust.

The Grievance Management Procedure also allows for escalation and arbitration in cases where a grievance cannot be resolved through initial discussions. Depending on the severity of the concern, grievances may be investigated further or referred to an independent party for arbitration. Complex or contentious issues are handled impartially, promoting confidence in the grievance process.

In Laos, PanAust utilises INX's InControl, an electronic reporting and corrective action event management system, to capture engagement activities, feedback, complaints, grievances and commitments. Similarly, Borealis software is used for the Frieda River Project. These systems play a crucial role in monitoring grievance trends and reporting. By capturing this data, PanAust can identify recurring issues, track grievance resolution times and make informed decisions to continuously improve community relations and operational practices.

In 2023, two grievances were raised in Laos, both of which have been closed out. The first grievance related to cattle entering a local villagers garden and destroying their crops. Phu Bia Mining constructed a bypass road around Nam Gnone village and, during the road development works, rocks had fallen onto the garden fence, causing damage that allowed cattle to get into the garden. Phu Bia Mining compensated the owner for the damage.

The second grievance involved a farmer building a new fence on Phu Bia Mining land. He had already been compensated for this land, which used to be his, for continued spillway construction at the Tailing Storage Facility (TSF). A formal mediation meeting was held with the farmer and his family, with Phu Bia Mining agreeing to cover the labour costs of relocating the new fence to the correct boundary.

Three grievances were raised at the Frieda River Project during 2023, one of which has been closed out with the remaining two still in progress. The first relates to a suggestion to move the proposed Women's Resource Centre under the MRA Project from Ok Isai Village to Wabia Village. This suggestion, from Mian and Payamo Village representatives at the Community Leaders Forum (CLF) meeting in quarter four, sparked a complaint from leaders and youths of Ok Isai Village. They claimed undue influence from a few women leaders and the Frieda River Project Capacity Building Officer. The Frieda River Project Community Affairs Team resolved the misunderstanding, highlighting that the decision rests with the PNG MRA, as it is their initiative.

The second grievance related to a land dispute between three clans from Paupe Village due to a lack of physical demarcation of land boundaries. Central to the dispute was compensation from the Frieda River Project for road access across the land. It is expected that this issue will be addressed by the Lands Team during land investigation engagements in 2024.

The third grievance was raised by the Painu Village community and related to two items. Community land was cleared during construction of a new helipad without adequate consultation or compensation. Furthermore, there was a delay in the return of the community's only HF radio after it was removed by the Frieda River Project team to repair a faulty battery. This grievance is still in progress, but it is expected that compensation will be agreed during hydrology works at Painu during 2024.

The Company had zero reported incidents of violations of indigenous peoples' rights in 2023.

RESETTLEMENT, LIVELIHOOD RESTORATION AND COMPENSATION

In 2023, zero involuntary resettlement took place across our operations. The Company is committed to minimising the need for involuntary physical relocation.

Comprehensive protocols and procedures ensure that, when resettlement is unavoidable, affected communities are treated fairly and equitably, in line with international standards. The need for resettlement is minimised via thorough planning, participatory land access and acquisition practices, transparent compensation processes and livelihood restoration initiatives. This approach protects the rights of affected individuals, ensuring fair outcomes.

If resettlement becomes necessary, programs adhere to IFC Performance Standards 5 and 7: Land Acquisition and Involuntary Resettlement and Indigenous Peoples. Hence, the livelihoods and living standards of resettled communities are fully restored or improved, in accordance with international best practice.

In Laos, individuals affected by operations are fairly compensated for the loss of assets or livelihoods. As a minimum, pre-impact living standards are maintained, and opportunities identified for community participation with further benefits. PanAust's Compensation Standard, Grievance Management Procedure and Stakeholder Engagement Plans, align with Lao regulations and international standards set by the IFC and ICMM.

When significant impacts occur, defined as affecting more than 20 per cent of a household's livelihood, Lao regulations require livelihood restoration rather than cash compensation. This focuses on rebuilding sustainable livelihoods rather than relying on short-term financial compensation. Compensation rates are determined through market price surveys, provincial agreements and consultations with local government and community leaders.

In Papua New Guinea, compensation is paid according to an interim agreement based on rates set by the Government's Valuer General, adjusted for inflation. Where PanAust deems government-set rates insufficient, compensation is increased to ensure equity for affected individuals. In 2023, Frieda River Limited embarked on a detailed landowner study focused on the tenements proposed for the Frieda River Hydro Electric Project. It will provide detailed insights and recommendations on land boundaries and buffer zones for the respective tribal groups. This will assist the Company and the government of PNG to determine compensation, rent and royalties for the hydroelectric power plant and provide critical information for resettlement conversations.

While this work program was undertaken, specific engagements with the Resettlement Planning Committee (RPC) were put on hold, with engagements set to resume in mid-2025. Stakeholder meetings about potential resettlement are held regularly to keep them informed of current activities and proposals. These meetings also help the Frieda River Limited Community Affairs Team understand any objections and make any required changes to the resettlement action plan.

In 2023, US\$808,090.04 was paid in compensation for economic livelihood impacts in Laos and US\$2,570 in PNG. The compensation payments in Laos included two large payment tranches for impacts to community crops and gardens through the creation of a 70ha exclusion zone around the Long Chien Track exploration prospect near Phu Kham and a 2,577ha exclusion zone for the Ban Houayxai Extension Project.



COMMUNITY DEVELOPMENT AND SUPPORT



PANAUST HAS HELPED SUPPORT A WIDE RANGE OF COMMUNITY DEVELOPMENT, INCLUDING AGRICULTURE, WITH A CO-OPERATIVE OF APPROXIMATELY 20 GROWERS SHARING THE BUSINESS EQUITABLY.

Mrs Yethao, Nam Gnone Village Chief, Laos

OUR APPROACH

ECONOMIC VALUE GENERATED

PanAust aims to make a lasting, positive impact on the social and economic well-being of the communities, regions and countries where it operates, contributing to the long-term prosperity of the region. In Laos, contribution to the economy includes:

- **Revenues and payments to the government:** Revenue from copper, gold and silver, including the payment of royalties, profit taxes and other fees such as tenement rental fees to the Government of Laos.
- **Employment and local economic growth:** Salaries paid to employees, along with salary taxes to provincial governments, and the local procurement of goods and services from Lao contractors and businesses.
- **Capacity building:** Investment in training and skills development programs to build the capacity of host communities, enhancing long-term employment opportunities.
- **Capital expenditure:** Significant capital investments in exploration, project development and operational costs, with a focus on Lao suppliers of goods and services.
- **Community and regional development:** Contributions to community development funds and investments in regional infrastructure projects, such as roads, water access, sanitation and other essential services.
- **Dividends and shareholder contributions:** Payment of dividends to the Government of Laos as a 10 per cent shareholder in Phu Bia Mining.
- **Sponsorships and donations:** Support for local initiatives through sponsorships and donations that benefit community development and well-being.

Local companies (both Lao and international companies based in Laos) are engaged where possible to procure goods and services for PanAust's Lao-based activities. This is based on commercial competitiveness, risk profile and contractor capacity, ensuring that goods and services are provided safely and responsibly.

Local companies are supported to meet health and safety standards, thus contributing to their long-term competitiveness. To date, PanAust has invested approximately US\$1.78bn in Laos. This includes almost US\$111m in Lao public road infrastructure. Improvement and maintenance of sections of the Phu Kham and Ban Houayxai transport and haulage routes has benefitted 12 villages with a combined population of more than 16,000 people. These routes now provide faster access to markets and public services, including hospitals and schools. Total Phu Bia Mining activity, including investments and in-country operating expenditure, accounted for more than 3.3 per cent of Laos' real gross domestic product of US\$14.1bn in 2023⁵. This does not include the widely accepted and typical multiplier effect that exists for the positive indirect impacts mining projects in developing countries, such as Laos.⁶

During 2023, PanAust's other economic contributions in Laos included:

- **Goods and services:** US\$172m to Lao suppliers—more than 49 per cent of external expenditure on goods and services was to the companies and government in Laos.
- **Government of Laos:** Contribution of approximately US\$86.2m through the payment of taxes, royalties and excise duties.
- **Capacity-building:** Contribution of approximately US\$725,000 to programs and activities at district, provincial and central government levels.
- **Laos employment:** 3,981 people in Laos, with 92.3 per cent Lao-national, of which 17 per cent came from local villages adjacent or near to operations.
- **Sponsorships and donations:** In addition to community development programs in Laos, of more than US\$46,000 through cash and in-kind donations.
- **Phu Bia Mining revenue:** US\$643m for the sale (and export) of copper, gold and silver, representing 7.4 per cent of total Lao goods exports (estimated by Laos Government as US\$8,370m).

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 2023 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.

2023 TOTAL PAYMENTS IN LAOS AND THAILAND:

- **Direct production costs:** US\$274.46m (57.9 per cent).
- **Transport and selling costs:** US\$20.47m (4.3 per cent).
- **Salaries and wages (incl. taxes):** US\$55.31m (11.7 per cent).
- **Royalties:** US\$35.34m (7.5 per cent).
- **Exploration costs:** US\$27.55m (5.8 per cent).
- **Equipment and other assets:** US\$33.23m (7.0 per cent)
- **Interest and other finance costs:** US\$8.79m (1.9 per cent).

2023 PAYMENTS FOR GOODS AND SERVICES IN LAOS AND THAILAND:

- **Lao companies:** US\$95.76m (27.5 per cent).
- **Lao-based international companies:** US\$48.12m (13.8 per cent).
- **Lao Government and semi-Government:** US\$28.96m (8.3 per cent).
- **Thai companies:** US\$90.3m (25.9 per cent).
- **International companies:** US\$85.62m (24.5 per cent).

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

Description	US\$ million		
	2021	2022	2023
Payroll tax	4.21	4.28	4.35
Customs excise (import service fee)	1.09	2.11	2.09
Road tax	2.93	2.57	1.91
Profit tax (income tax)	19.56	28.70	29.82
Royalties	33.02	25.81	32.15
Concession fees	0.06	0.06	0.06
Dividend	0.00	8.70	15.83
Total contribution	60.87	72.22	86.21
Copper price (including price adjustment and hedging) (US\$/lb)	3.85	4.02	3.91

2023 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	343.09	55.31	1.44	86.21
Thailand	0.86	0.53	0.00	0.00
Vietnam	1.10	0.09	0.00	0.01
Chile	0.46	0.00	0.00	0.00
Papua New Guinea	5.16	1.01	0.01	0.71
Myanmar	0.72	0.08	0.00	0.00
Australia	9.71	8.23	11.69	0.46
Total	361.11	65.25	13.15	87.42
Group revenue*	669.95			
Group economic value retained [#]	143.03			

* 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 are designed to make meaningful, lasting contributions to the long-term growth and empowerment of local communities. By focusing on capacity building, the Company helps community members determine and pursue their own development priorities, ensuring sustainable progress beyond the life of its operations.

Operational and development projects align with recognised international standards for community development, ensuring that programs are socially responsible, inclusive and designed for long-term sustainability. As part of its broader sustainability commitments, PanAust continuously evaluates new opportunities for socially responsible projects that align with its host communities' priorities. These projects focus on capacity building and promoting economic independence, ensuring that the benefits of PanAust's presence continue to support the region's development well into the future.

PANAUST TOTAL COMMUNITY DEVELOPMENT CONTRIBUTIONS (US\$ MILLION)

	2021	2022	2023
Community development in Laos	0.36	0.14	0.73
Community development in Papua New Guinea	0.09	0.12	0.28
Logistics costs associated with Papua New Guinea community development	0.29	0.03	0.01
Sponsorship and donations in Laos	0.35	0.21	0.05
Sponsorship and donations in Papua New Guinea	0.01	0.04	0.01
Sponsorship and donations in Australia	0.00	0.00	0.00
Total contribution	1.10	0.54	1.07
PanAust adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA)	220.87	189.67	221.05
Total contribution as a per centage of EBITDA	0.50	0.29	0.48

COMMUNITY DEVELOPMENT IN PNG

In 2023, PanAust's contribution to community development programs in PNG totalled US\$275,119. In addition, US\$8,596 was contributed via charter flights, the use of the Company's helicopter and motorised dinghies, to deliver the programs to the Frieda River Project host communities inaccessible by road. Programs focused on improved health and education services and capacity-building, in particular the maintenance and establishment of supporting infrastructure.

EDUCATION

Community development programs in education in 2023 included:

- **Travel support for teachers:** Bi-annual flights in-and-out of Frieda (Ok Isai), Fiak (Mian communities) and Paupe primary schools to the nearest centres.
- **Stationery and sports supplies:** Company charters to bring in supplies for remote schools in the Project Area and sports equipment for Telefomin Secondary School.
- **MRA community investment program:** Planning and co-ordination of a double classroom for Paupe Primary School.
- **Capacity Building Program:** Formerly referred to as the Women in Extractives Program. The Capacity Building Program includes six core training areas, Family Farm Team; Financial Literacy; Adult Literacy – Level 1; Leadership; Village Health Volunteer (VHV); and Village Birth Attendants (VBA). In addition to this, training such as sewing; cooking; peanut butter making; and menstrual health and hygiene awareness campaigns were delivered. The Community Relations team has conducted evaluations on students, especially in the adult literacy, VHV, and VBA trainings, and is currently collaborating with the Telefomin District Health to certify the VHV and VBA participants.
- **Education assistance:** Delivered with Telefomin District Education and the Boards of various local schools. School fees continued to be subsidised by 50 per cent for primary and secondary students from seven villages. Fee assistance and transport support also continued for tertiary students of primary healthcare and education.
- **Primary school teacher refresher training:** Facilitated along with the school inspection visit by the education department of the Telefomin District.

COMMUNITY HEALTH

Community development programs in community health in 2023 included:

- **Acquiring and distributing medical drugs:** Quarterly for Community Health workers in the three operating aid posts in the project area.
- **Providing helicopter and fixed wing medivacs:** To nearest health centres in Telefomin, Mt. Hagen and Wewak.
- **Health programs:** Delivered with Telefomin District Health, Ambunti Health Centre, Pacific Island Ministries (PIM) and Papua New Guinea Baptist Church Health Services. Programs included attending to medical emergencies, community clinics, medical outreach and evacuation and referral of patients to regional health centres.
- **Maternity wing support:** Building materials, technical expertise and administrative support for maternity wing construction at the Frieda River Aid-Post in Paupe Village.
- **Menstrual health awareness:** Partnered with QueenPads and conducted village awareness on menstrual health, introducing the reusable menstrual pad.
- **Oxygen Concentrator:** Presented to the Telefomin District Hospital for emergency life support at the hospital.

OTHER COMMUNITY DEVELOPMENT

Other community development initiatives in 2023 included:

- **MRA community investment program:** Planning and co-ordination of the Women's Resource Centre in Ok Isai Village.
- **Community Leader Forums:** Programs to provide transparency on any resolutions and outcomes from these forums for the communities whose leaders attended.
- **Environmental Permit Roadshow:** In October 2023, the in-country Community Affairs Team, supported by the Country Manager, participated in a 4-week roadshow led by CEPA, with support from the MRA and the East Sepik Provincial Government Authority (ESPGA) along the Sepik River.
- **Land Investigation Study:** On land ownership identification for the FRHEP tenements. This commenced in April 2023 and will continue until the end of 2025.
- **Community infrastructure grants program:** The Community Affairs Team continued this program that accumulates K4,000 each month for use by host communities on village infrastructure development, with several new projects commencing.
- **Census updates:** Commenced in the seven impact areas. Data will be shared with the National Identity Program Office in Vanimo.

COMMUNITY DEVELOPMENT IN LAOS

PanAust's community development programs in Laos focus on several key areas:

- **Infrastructure:** Building essential facilities, such as roads and water systems, to support community development.
- **Health:** Improving access to healthcare services and promoting public health initiatives.
- **Education:** Enhancing educational opportunities for children and adults, including vocational training.
- **Agriculture:** Supporting sustainable farming practices and improving food security.
- **Small business development and microfinance:** Encouraging entrepreneurship and providing financial resources for small businesses.
- **Capacity building for local government agencies:** Strengthening the capacity of local institutions to manage resources and drive development independently.

Efforts are guided by a Memorandum of Understanding (MOU) with the Government of Laos to ensure that community development funds (CDFs) at Phu Kham and Ban Houayxai are deployed effectively and transparently. Planning begins with community-led needs assessments and a detailed review of the socio-economic situation in each area. The results of the 2022 socio-economic and household survey, finalised and published in April 2023, were used to inform future projects.

Initiatives are designed to support and sustain host communities well beyond the life of the mine, improving long-term resilience and economic independence post-closure. Since 2018, CDF projects implemented since the start of operations in Laos have been transitioning into the Sustainable Livelihood Program (SLP). The SLP aims for long term economic independence and resilience for local communities around the mine sites.

Consultation with local government authorities ensures alignment with national development strategies, avoiding duplication of existing or planned government initiatives.

In 2023, a total of US\$380,000 was budgeted for CDF activities in Laos, US\$300,000 allocated to Phu Kham and US\$80,000 allocated to Ban Houayxai. A new MOU for the CDF budget was also discussed with the Xaisomboun provincial government, increasing the budget to US\$750,000 per year. The MOU is yet to be approved, awaiting finalisation of the 4th amendment to Phu Bia Mining's MEPA with the Government of Laos. 10 of the 12 outstanding CDF projects were completed and successfully handed over to host communities and the Xaysomboun Province in December 2023. Further details on these can be found later in this chapter. In 2023, an independent expert (Civitas—Laos) evaluated the SLP Program against the OECD Development Assistance Committee evaluation criteria and the International Fund for Agricultural Development evaluation manual. The program was found to be very successful with a high overall global rating. For more details see the case study on page 54. A total of US\$725,066 was spent on CDF and SLP projects in 2023, as follows:

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

	2021	2022	2023
Expenditure	248,955	137,411	725,066
Budget	380,000	380,000	380,000

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

Education is a cornerstone of social development, essential for improving lives and creating opportunities for advancement. In Laos, despite compulsory primary education, enrolment, completion rates and learning outcomes remain low, in rural provinces. Contributing factors include poverty, a shortage of schools, a lack of skilled teachers, insufficient teaching aids and overcrowded classrooms. Although access to primary education has improved, many children do not complete the five-year curriculum, resulting in low functional literacy rates among adults. Completion rates for secondary and tertiary education are even lower.

PanAust's education programs are designed to improve learning outcomes for both children and adults in its host communities. Initiatives have focused on enhancing access to primary education by building new schools, providing school uniforms and stationery and offering scholarships. The Company has also made significant investments in teacher training and the provision of teaching aids, helping to improve the overall quality of education. As a result, enrolment has increased and learning conditions have improved in local schools. Investment in education not only improves immediate learning outcomes but also lays the foundation for long-term social and economic development. Enhancing access to education and improving its quality, helps to create opportunities for future generations, ensuring that communities around its operations can thrive well into the future.

In Laos, it is common for girls to leave school if they must travel long distances from their village. To address this issue, PanAust has prioritised improving access to education for girls in its host communities by building schools closer to villages, providing transportation support and raising awareness about the importance of girls' education. This ongoing commitment is helping to close the gender gap in education access.

Since 2010, PanAust has played a key role in expanding and improving educational infrastructure across Laos. In 2023, the Company invested US\$250,139 in the following:

- **Kindergarten improvements:** Nam Gnone.
- **New classrooms and toilets:** Primary school in Nam Gnone.
- **New toilets:** Primary school in Nam Mo.
- **New teacher dormitories:** Nasaysavang.
- **Improved teacher dormitories:** Nam Gnone.
- **New sports facilities:** Upper secondary school in Nam Mo.
- **Toys and educational supplies:** Host communities in Nam Mo and Nam Gnone.

COMMUNITY HEALTH

Community health is a critical component of sustainable development, directly impacting the well-being and productivity of local populations. PanAust is committed to supporting the long-term health and well-being of its host communities by working with local health authorities and investing in key health initiatives. By improving healthcare access and infrastructure, the Company is helping to build healthier, more resilient communities.

In 2023, PanAust invested US\$45,020 in community health-related activities, healthcare infrastructure and promoting health awareness in its host communities, including:

- **New hospital:** Construction of a community hospital in Nam Mo, providing improved access to healthcare for residents.
- **New dormitories:** Construction of nurse dormitories at Nasaysavang, ensuring that healthcare professionals have safe, convenient housing.
- **Community health check awareness programs:** Aimed at improving preventive care and early detection of health issues.





LOCAL ENTERPRISE DEVELOPMENT

PanAust is committed to building long-term economic development and building community resilience by empowering local businesses and entrepreneurs. The focus on sourcing locally and supporting enterprise development aims to create sustainable economic opportunities that will benefit communities long after operations have ceased.

Where possible, products and services are sourced locally and regionally, integrating local businesses into the supply chain. This strengthens the regional economy during operations while preparing local suppliers to expand their customer base and thrive post-closure.

Agriculture is a key industry where local communities can leverage their existing skills to meet the needs of PanAust's operations while also building new enterprise opportunities. Through targeted programs, PanAust is helping farmers transition from subsistence-level agriculture to sustainable cash-crop production, positioning agriculture as a viable long-term income source for communities' post-closure.

In 2018, PanAust launched the Sustainable Livelihoods Program (SLP) with the goal of establishing enduring economic legacies for local communities. By focusing on agriculture and small business development, the SLP aims to ensure that local economies remain resilient and sustainable well beyond the life of PanAust's operations. In 2023, PanAust contributed US\$319,260 to agriculture and US\$42,523 to small business support activities through its CDF and SLP. Some of these funds were used for the ongoing construction of the Nam Mo community market, expected to boost local commerce and entrepreneurship.

In 2023, PanAust collectively purchased US\$617,838 worth of consumables, such as vegetables, drinking water, eggs, fruit and fish, from local businesses in its host communities. This not only provides a reliable income stream for these businesses but also creates a stronger, more resilient local economy.

SUSTAINABLE LIVELIHOODS PROGRAM (SLP) IN LAOS

The SLP continues to provide ongoing training and opportunities for farmers through capacity building initiatives and is likely to benefit local communities well beyond the Program's timeframe. PanAust Managing Director and Chief Executive Officer, Mr Daling Zheng highlights "We identify the needs, issues and standards of living in our local communities through stakeholder engagement activities and social impact assessments, including periodic updates through socio-economic surveys.

The report and other international benchmarks implemented, enable us to gain a deeper understanding of our Program and provide opportunities to create more social and economic benefits to local communities." Chairman, Mr Chanpheng Bounnaphol, said "We have mechanisms built into our business practices to monitor and evaluate our engagement and development activities in local communities close to our operations. The report assists us in developing our SLP plans in consultation with government authorities and community representatives."

INCOME GENERATED FROM SMALL BUSINESS INITIATIVES (US\$)

Country	2021	2022	2023
Laos	543,410	605,817	940,437
Papua New Guinea	4,649	12,021	11,783
Total (US\$)	548,059	617,838	952,220

INFRASTRUCTURE PROVISION

PanAust has made a significant contribution to improving essential community infrastructure in Laos, enhancing the quality of life for local populations and supporting sustainable development. By investing in medical and educational facilities, road development, water and sanitation systems and other critical infrastructure, the Company has helped lay the foundation for long-term community resilience and economic growth.

Infrastructure projects are delivered in partnership with governments and host communities through a 'community-constructed infrastructure' model. This involves PanAust procuring materials for the projects and local community members, under the supervision of local authorities and Company representatives, take the lead in completing the construction. This accelerates project delivery and empowers communities by transferring valuable skills, building a sense of ownership and tailoring infrastructure projects to local needs.

These infrastructure investments have a lasting impact on host communities, improving access to healthcare, education, transportation and sanitation. In 2023, PanAust began construction of a cable-stayed bridge at Nam Ou. This bridge will significantly improve connectivity between remote communities, facilitating easier access to markets, healthcare and education, and contributing to local economic growth by enhancing transport infrastructure.

ACCESS TO FINANCIAL SERVICES

As part of its commitment to developing community resilience and economic empowerment, PanAust has supported 12 communities to establish microfinance schemes through Village Savings and Credit Funds (VS&CFs). These funds provide crucial access to financial services in rural areas, empowering communities, in particular women, by enabling enterprise development and promoting financial independence. They facilitate access to savings and loan facilities otherwise unavailable in rural areas, enabling individuals to save for the future and access loans to support activities such as agriculture and small businesses. The funds also provide financial support for essential household expenses, including education and healthcare, thereby improving overall community well-being and economic stability. Village-level management committees, supervised by a District Supervisory Committee headed by the Lao Women's Union, provide oversight for these funds. These committees ensure transparency and accountability, promoting local leadership and governance, empowering community members to actively manage their finances.

After working closely with local villages and districts to establish these microfinance schemes, PanAust facilitated a transition to local management. The Company has handed over full responsibility for fund management to the relevant villages and districts, with only three existing VS&CFs remaining in Ban Nam Mo, Ban Nam Gnone and Ban Nasaysavang at Phu Kham and Ban Houayxai (established in 2009 and 2012). In 2023, the two VS&CFs at Ban Nam Mo and Ban Nasaysavang were consolidated and transferred to the financial management system, Xaysomboun Development Fund (XDF). The VS&CF in Ban Nam Gnone will be re-consolidated to apply the same financial management system in the coming years.



CASE STUDY

SUSTAINABLE LIVELIHOODS PROGRAM

Interview with Lone Phonephakdy, Livelihood Sustainability Manager, Phu Kham Operations

What is the Sustainable Livelihoods Program?

"It's all about creating and sustaining the livelihoods and economy of local people in the communities close to our operations in the Xaysomboun Province of Laos. Members of these local communities are our hosts, and we want to sustain their livelihoods well beyond the life of our mine. I am proud to share that our support of these disadvantaged communities in this remote area of Laos continues to grow and with it their wellbeing. In 2018, we supported 5 villages in the Anouvong District of Xaysomboun Province, scaling up to another 3 villages in 2020, and by 2022, we had expanded to all five districts of the Xaysomboun Province."

How did you do it?

"We drew on lessons learnt by national and international development organisations over recent decades while undertaking similar development projects in Laos. These projects seemed to work best when managed and delivered by Lao-nationals with the right experience and expertise. Close collaboration with the government of the province also seemed to be a crucial factor in project success. So, we tried to build these things into our approach. We also made sure that the Program's objectives and outcomes aligned with our company's Sustainability Policy, as well as local government development frameworks and policies to implement the United Nations (UN) Sustainable Development Goals (SDGs)."

If you could sum up the Program in one word, what would that be and why?

"Long term. Sorry, that's two words! Our main aim, in partnership with the government of Xaysomboun Province, is to develop livelihoods and sources of income for the long term. We do this by encouraging participation and ownership in local villages. Further to implementing our SLP plan over the past 6 years, i.e. 2018-2023, we have ongoing development underway for a few more years to come, at least out to 2026-2028."

Tell me about what the work involved.

"SLP is focused on developing and promoting the Commercial Agriculture Project (CAP) for farmers in Xaysomboun Province, especially within our 8 target villages in the Anouvong District. Agriculture projects include clean and commercial vegetables, cattle fattening, pineapples and avocado. From a land perspective, we are working on UXO clearance and agriculture land use planning, land allocation and forest protection."

"Other initiatives include market engagement for agriculture produce, the supply of inputs, such as plastic roofing materials for vegetable greenhouses, roofing tiles for cattle plains and seeds and supporting farmers to install micro-irrigation systems. Providing in-kind support plays a big part. With an eye on the longer term, we also provide farmer training and study visits and exchanges, as well as capacity building for local government agencies."

Did you face any challenges along the way, and if so, can you talk us through them?

"I would say one of the biggest challenges has been helping our small holder farmers make the shift from traditional agricultural practices to become more commercial so they can meet market demand. Next on my list would be creating a sustainable market for farmers so their new opportunities become truly long term. Capacity building is another challenge, in terms of advancing local government agencies in this space. And finally, providing consistent funding to support the continuation of the Program. What's that saying, "no money, no honey", well that applies here for sure."

What were the big achievements, what do you want to shout from the rooftops?

"We have become a model project. CIVITAS recently published a report on our SLP concluding that it exceeds global evaluation benchmarks for the positive impact it is having on local communities in Xaysomboun Province's Anouvong District. That's an achievement I want to shout from the rooftops! CIVITAS is a Laos-registered, independent, international organisation, so their opinion counts. They visited our SLP in November last year to review and assess nine of our key SLP projects that ran from 2018-2022. They interviewed 30 local communities from eight villages and related government agencies."

"CIVITAS scored our SLP '5', the highest for relevance and sustainability. They found that the Program addresses local needs and priorities aligned with local and national development goals. We were particularly proud of the strong engagement they identified with the 244 farmers who took part and the significant income increases noted for 214 of them. They generated more than US\$606,891 in 2022, while also creating extension services and material inputs including better access to market. I could go on, but you get the idea, an independent review validated our work, we are immensely proud."

What happens now, what comes next?

"We have a clear plan and a clear strategy to grow the SLP, to make it bigger and better! With the working structures and mechanisms, we now have in place with the Xaysomboun Province, we can continue to develop the project. Using our learnings so far, we are confident we can make it even more of a success. Promoting the work will be important, by networking at national and international levels. We also hope to explore partnerships with AusAID, IFAD, ADB and SDC in the future."



HUMAN RIGHTS AND INDIGENOUS PEOPLES



THROUGH ITS SUPPORT OF INTERPLAST'S WORK, PAN AUST IS SUPPORTING MUCH NEEDED ACCESS TO SPECIALIST HEALTHCARE IN PNG. ACCESS TO HEALTHCARE IS A FUNDAMENTAL HUMAN RIGHT, AND IN PNG, THIS ACCESS CAN OFTEN BE CHALLENGING DUE TO LIMITED SERVICES, GEOGRAPHIC CHALLENGES AND FINANCIAL BARRIERS. THE INTERPLAST PROGRAMS WHICH ARE SUPPORTED BY PANAUST ARE COMMITTED TO PROVIDING ACCESS TO SERVICES FOR THOSE WHO MOST NEED THEM.

Jess Hill, Director of International Programs, Interplast

OUR APPROACH

Human rights are basic rights and freedoms to which all people are entitled regardless of their birthplace, age, personal beliefs or any other individual attributes.

PanAust supports and respects human rights consistent with the Universal Declaration of Human Rights, committing to this in its Sustainability Policy. A review of the Sustainability Policy in 2023 identified the need for a separate specific Human Rights Policy based on the United Nations Guiding Principles of Business and Human Rights. This policy will be developed in 2024 for approval by the PanAust Governance Committee.

Human rights encompass a broad range of issues relevant to employees, contractors, suppliers, host communities, customers, business partners and other stakeholders impacted by its operations. To this end, PanAust became a member of the Human Rights Resources and Energy Collaboration in Australia in 2023. This group provides a forum for those working in the resources, mining, oil and gas and energy sectors to network and share knowledge on respect for human rights.

Where available, PanAust uses existing systems and processes for the assessment and management of human rights issues, and as a minimum, meeting the applicable legal requirements. In 2023, PanAust published its third Modern Slavery Statement under the Australian Modern Slavery Act (2018), recording no breaches of indigenous people's or other human rights. A summary of PanAust's approach to managing human rights is provided opposite, highlighting examples provided throughout this Report.



PANAUST'S APPROACH TO MANAGING HUMAN RIGHTS



COMMITMENT

- The PanAust Way.
- Sustainability Policy.
- Sustainability Standards.
- Human Resources Standards.
- Member Company: Voluntary Principles on Security and Human Rights (see page 90).
- Aligned to: ICMM Indigenous Peoples and Mining Position Statement.
- Annual reporting requirement: Australian Modern Slavery Act (2018).



ASSESSMENT

- Human rights risk assessments.
- Human rights due diligence.
- Environmental and Social Impact Assessments.
- Stakeholder analysis (indigenous peoples, gender, vulnerable and disadvantaged).
- Modern slavery supply chain analysis and risk assessment.



ACTION

- Workforce practices and feedback mechanisms.
- Stakeholder engagement (including disadvantaged groups) appropriate to the project and location context and the International Finance Corporation (IFC) Performance Standards (see pages 37, 45 and 112).
- Supplier evaluations and contract clauses related to human rights (see page 104).
- Project designs, development and closure consistent with cultural and social values of host communities.
- Grievance mechanisms, resettlement and compensation protocols (see page 44).
- 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, eg. access to water and improved healthcare, education and livelihood opportunities (see page 46 to 53).
- Social and environmental management plans.



CHECK AND REPORT

- Socioeconomic, perception, employee surveys.
- Audits of the Lao operations against the PanAust Group Integrated Management System Standards (see page 109 to 110 and 114 to 115).
- Contractor audits (see page 114).
- Internal and external reporting.
- Whistleblower Standard and Whistleblower Service (see page 103).
- Annual Modern Slavery Statement.



CASE STUDY

HUMAN RIGHTS COMPLAINT

In December 2021, two non-governmental organisations (NGOs), namely Project Sepik Inc. and Jubilee Australia Research Centre, claiming to represent 2,638 indigenous residents along the Sepik River, downstream of our proposed Frieda River Mine site in PNG, made a complaint to the Australian National Contact Point for Responsible Business Conduct (AusNCP). In summary, the complaint alleged that PanAust's actions breached the Disclosure, Human Rights and Environment standards of the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. We engaged in the complaint process in good faith and provided submissions to the AusNCP, firmly denying any such breach. We also confirmed that the matters in question were the subject of ongoing legislative and consultation processes underway in PNG. The AusNCP provided an initial assessment in July 2022 and a final statement in October 2023 highlighted the following findings of the independent examiner (the full copy of the final statement from the AusNCP can be found on the AusNCP website):

- Extensive consultation and engagement regarding the Sepik Development Project is being conducted by the enterprise and government agencies, with decisions subject to PNG law and court oversight.
- The project is expected to have significant impacts on indigenous groups, necessitating free, prior, informed consent (FPIC), which cannot be assumed based solely on government-issued permits.
- FPIC requirements are more extensive than stakeholder engagement and apply specifically to indigenous groups significantly impacted, while other stakeholders, such as civil society, still play an important role in implementing OECD Guidelines.
- Determining FPIC requires both objective physical and subjective cultural impact assessments, with significance gauged based on indigenous group views after proper engagement.
- The examination could not conclusively determine the need for FPIC, and compensation cannot substitute for obtaining FPIC, as this would violate OECD Guidelines.
- Several claims made by the notifiers, such as security presence at meetings and lack of engagement with broader communities, were not substantiated in the examination.

Several recommendations were also made, including:

- The notifiers and the enterprise should review their interactions, focus on meaningful engagement as per OECD Guidelines, and consider the 2022 Voluntary Principles Initiative toolkit for security personnel-related issues.
- The enterprise should ensure community engagement with indigenous groups requiring FPIC is conducted in languages understood by those groups, possibly beyond Tok Pisin or English.
- The enterprise should review its FPIC procedures to align with international standards, ensuring compensation is not seen as a substitute for FPIC.
- Future stakeholder engagement by the enterprise should include the notifiers, consider Haus Tambaran views, share the dam break analysis and address the long-term impact of the dam and facilities.
- The notifiers should consider using the enterprise's grievance mechanism to raise their concerns.

It is expected that a follow up on progress with implementing the recommendations will occur in 2024 by the AusNCP.

ARTISANAL AND SMALL-SCALE MINING

OUR APPROACH

PanAust recognises the significant role that artisanal and small-scale mining (ASM) plays as a vital source of income for many communities around the world. The income generated from ASM supports local economies and contributes to poverty reduction and economic development, reinforcing the importance of responsible engagement with ASM practices.

While ASM is often considered informal, traditional, or even illegal in certain jurisdictions, PanAust is committed to engaging constructively with communities and stakeholders involved in ASM within its operational boundaries. By working closely with ASM practitioners, the Company aims to promote safe, sustainable and legally compliant mining practices that benefit both the community and the environment. PanAust engages early with host communities and stakeholders to understand their concerns and address issues related to ASM. This proactive approach aligns with the International Finance Corporation's (IFC) Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts, ensuring that the Company responsibly manages ASM-related risks while promoting community development.

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. There has been a significant increase in ASM activities in 2023 driven by the increased mineral prices, in particular gold. ASM activities also occur within the Frieda River Project area.

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.

Over the last few years, we have seen increasing ASM activities on our MEPA Contract Area and have been working with relevant Government of Lao ministries and the Prime Minister to work towards a solution that prevents even larger scale ASM encroachment activity.

In mid-2023, a MEPA Surveillance Team was formed to monitor PanAust priority resource target areas within the MEPA. Part of the Risk Department, this team is supported in the field by Loss Prevention Officers and Lao People's Army personnel (LPA). These LPA personnel are trained in the Voluntary Principles on Security and Human Rights (VPSHR) and have a physical stopper in the chamber of their weapons for safety and to prevent the escalation of any event. A MEPA Taskforce, consisting of key Executive and senior management personnel, provides strategic support.

The PanAust Livelihood and Sustainability Team and Community Team continue to educate local communities not to undertake ASM activities, raising their awareness of the risks and impacts from ASM.

Loss Prevention Officers and LPA personnel are stationed at priority locations, including established camps, access controls and guard posts, to deter unwanted ASM activities. These static outposts provide ongoing communications, reporting and information to the MEPA Surveillance Team. Radio and mobile phone communications are utilised to relay information and maintain constant contact with these teams working remotely.

At the Frieda River Project, four villages actively participate in ASM activities within the proposed project footprint but outside the special mining lease area. PanAust is actively engaging with the host communities to understand the scale of these activities and how they may interact with the project in the future. In 2019, the Company initiated a pilot program to assess the value of alluvial gold deposits within the Frieda River Project area, using ASM techniques such as pitting, dredging and panning.

The results of this program helped design a full in-situ value assessment, which will inform future discussions with the communities on how to best utilise the resource. This will also be a critical component of the Technical Review Process led by the PNG Mineral Resources Authority, which will follow the granting of the Environment Permit in Principle, expected in 2025.

ENVIRONMENTAL PERFORMANCE



NATURAL CAPITAL

MATERIAL ISSUES

TAILINGS AND WASTE ROCK

Tailings, a by-product managed throughout the life of the mine and beyond closure, managed in a safe tailings storage facility (TSF) with high integrity design (e.g. dam break analysis in PNG) to protect nearby environments and communities.

KEY METRICS

Metric	2023	2022	2021	2020	Change from 2022 to 2023
Energy Intensity (GJ/Mt ore and waste mined)	72.9	68.1	69.8	79.3	7 per cent increase
Phu Kham Greenhouse gas intensity (t CO ₂ -e/t cu)	3.05	3.81	4.20	3.71	20 per cent decrease
Recycled water (per cent)	78	82	76	79	5 per cent decrease
Water intensity (M ³ /t ore processed)	2.23	2.81	2.53	2.32	21 per cent decrease
Number of significant environmental incidents	0	0	0	2	No change

OUR STAKEHOLDERS TOLD US...



THE VILLAGERS LIVING CLOSE TO THE MINE SITE FEEL WELL-INFORMED VIA BI-MONTHLY INFORMATION MEETINGS ON WASTE ROCK MANAGEMENT AND WATER MONITORING.

Mrs Yethao, Nam Gnone Village Chief, Laos





INTRODUCTION

Tailings will be important long into the future

We are pleased to report that villagers local to our mine sites and tailings storage facilities in Laos feel well-informed on tailings and waste rock via the bi-monthly information meetings held with them on waste rock management and water monitoring. But there is community concern about what will happen when Phu Kham closes, and these bi-monthly meetings are no longer held to keep them informed. Hence, we will need to find a way to keep these communication channels open post closure.

Land use, rehabilitation and closure is another environmental issue with significant commitments. Not following through on closure commitments does not just impact our host countries and their people but it reflects badly on PanAust, potentially affecting future investment applications. In fact, banks also now expect to see commitments to tackle climate change for lines of credit to be granted. Mining is an industry where banks pay particular attention to environmental, social and governance (ESG) issues, in particular climate change. They are supportive of plans to reduce carbon emissions and tackle related impacts on biodiversity. The need to establish adaptation plans for resilience against the impacts of climate change, such as infrastructure damage, supply chain disruption and changes in resource availability, is also seen as a priority.

In this chapter, we start with data on the volumes currently held in our tailings storage facilities (TSFs) and what we have planned, alongside tailings and waste rock quantities produced in 2023 at our operational sites in Laos, namely Phu Kham and Ban Houayxai. Extensive governance is in place, such as the Tailings Independent Review Panel (TIRP), the Tailings Review Committee and a comprehensive range of inspections, monitoring and quality assurance. Management of waste rock, classified as blue, green, amber or red, is governed by our Acid Rock Drainage (ARD) Management Plan. Environmental issues not ranking in our top 11 are still treated as important and we continue to manage our performance.

For continuity of information provision year-on-year, we have included relevant data and a summary of our approach to water use and discharges, biodiversity, land use, rehabilitation and closure and climate change. Over time, we may move some of this information online to enable a more succinct integrated report, except for mandatory disclosures, such as those relating to climate change.

Further information on environmental management can be accessed at panaust.com.au/sustainability/environment.

TAILINGS AND WASTE ROCK

TAILINGS AND WASTE ROCK DATA

TAILING FACILITY DETAILS AND VOLUMES

Tailings Facility	Description of Type	Initial Operation Date	Raising Method	Current Volume Mm ³ (end of 2023)	Planned LoM Volume Mm ³
Phu Kham TSF	Cross-Valley Embankment	April 2008	Downstream	158.0	172.5 (LoM 2027)
Ban Houayxai TSF	Cross-Valley Embankment	March 2012	Downstream	37.9	59.9 (LoM 2029)

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

	2021	2022	2023
Waste rock (total)	35,534,020	41,913,151	40,207,352
Red waste rock	4,140,462	6,019,946	6,795,939
Tailings	12,126,098	15,311,772	16,131,382

OUR APPROACH

Tailings and waste rock management is the most significant short- and long-term environmental risk for PanAust.

Due to tailings quantities produced, their mineral composition and fine sediment nature and the requirement for long-term stable tailings storage facilities (TSFs), tailings management strategies are essential.

Waste rock is managed to prevent acid rock drainage (ARD), potentially harmful to receiving environments. Detailed planning and design are required prior to mine development and operational governance both 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. They are designed and constructed to international standards and guidelines, including the Australian National Committee on Large Dams, ANCOLD 2022, and consider 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.

Our TSF stewardship program is comprehensive, including:



TAILINGS INDEPENDENT REVIEW PANEL (TIRP)

This panel of industry-leading specialists undertakes annual physical inspections of both TSFs and evaluates the monitoring and measurement systems in place. In 2023, these inspections were undertaken in May, with two priority 1 recommendations (highest level) identified at Ban Houayxai and none at Phu Kham.



TAILINGS REVIEW COMMITTEE (TRC)

This committee facilitates the TIRP review and oversees actions to implement any recommendations, including updates to risk registers. In 2023, the committee met in January.



DAM SAFETY INSPECTIONS

These inspections are conducted annually, by the Engineer of Record, with action plans developed and progress tracked. In 2023, these inspections were completed in October.



RISK-BASED REVIEWS

Undertaken annually by site teams at each TSF, in 2023, these reviews were completed in May.



ENGINEER OF RECORD (EOR) INSPECTIONS

The EoR, the technical expert responsible for TSF design, operation and performance monitoring, undertakes three of these inspections each year, including the Annual dam safety review (ADSR). In 2023, these inspections were undertaken in January, May and October (ADSR). One priority 1 recommendation was identified at the Ban Houayxai TSF and actioned immediately.



SITE INSPECTIONS AND MONITORING

Trained site teams, reporting to a site-based Tailings and Geotechnical Manager, undertake these inspections daily, weekly and monthly. The inspections monitor seepage, pore pressure and embankment deformation and ensure that equipment is operating effectively. Any findings are investigated and escalated to the EoR, as required.



DETAILED DAM DESIGN

The Design Engineer, Knight Piesold, produces a detailed dam design for each construction period. The TIRP and other subject matter experts provide input and review the design.



ON-SITE LABORATORIES

Quality control and assurance for TSF construction materials is undertaken at on-site laboratories. A Senior Quality Assurance (QA) Engineer oversees monthly verification of test samples by an external laboratory. An audit of these on-site laboratories was completed in March 2023, with the next scheduled for March 2024. No material findings were identified during the 2023 audit.



MINE CLOSURE PLANS

Phu Kham mine closure planning progressed in 2023 with revised life-of-mine projections. The Phu Kham water balance and groundwater model for closure will be updated in 2024. The Ban Houayxai TSF expansion is part of the current life-of-mine plan and conceptual closure plans will be completed in 2025.



OVERVIEW AND QUALITY ASSURANCE

The PanAust Tailings Governance Standard outlines tailings overview and quality assurance. These are validated through the routine functions of the site-based Tailings and Geotechnical Managers, TRC, TIRP and EoR.



GOVERNANCE

In 2021, a gap analysis against the Global Industry Standard on Tailings Management (GISTM) was conducted, with work on understanding what it would take to comply being undertaken in 2023. The GISTM was adopted by the Company in early 2024.



SENIOR MANAGEMENT COMMITMENT

A commitment to having appropriate governance processes in place has been made by senior management, alongside construction and operating procedures that are consistently adhered to.

ODOUR CONCERNS

Ban Nam Gnone villagers near Phu Kham are concerned about odour from the TSF. In 2021, the site's mine processing team identified the chemicals thought to be the root cause, namely hydrogen sulphide and sulphur dioxide, and sought alternatives. In January 2023, Aeroqual Series 500 air quality monitoring devices were installed at the TSF and Ban Nam Gnone for continuous monitoring of hydrogen sulphide. Once there is sufficient data for both dry and wet seasons, the results will be provided to the Ban Nam Gnone community. PanAust recognises the importance of treating communities with respect and will work with the villagers to achieve a resolution.



CASE STUDY

BAN HOUAYXAI TAILINGS DAM EXPANSION

Interview with Joel Slater, TSF Superintendent—Laos

What is a tailings dam?

“For someone working with tailings dams most of the time, it’s tricky to step back and describe it in simple terms! Here goes ... a tailings dam is a specialised structure designed to store mine waste materials, known as tailings, which are produced during mineral processing operations. At Ban Houayxai, the tailings dam is constructed as a cross-valley earth fill embankment that holds slurry tailings upstream. Collectively, the embankment dam, storage area and associated infrastructure are referred to as the Tailings Storage Facility.”

Why did the Ban Houayxai tailings dam need expansion?

“In short, to accommodate the increased storage capacity needed for the expected tailings production from expanded mining operations. Typically, tailings dams are built incrementally. At Ban Houayxai, we raise the embankments annually. This staged approach to construction allows us to adapt to changing mining conditions. It also enhances safety, improves stability and helps distribute costs over time.”

What was involved in the project?

“The expansion project involved extensive planning and design. It began with a series of assessments by the Engineer of Record, an external engineer tasked with ensuring dam integrity and safety. These assessments evaluated various sites and technologies, progressing from feasibility studies to detailed designs. Each stage of the design was reviewed by our TSF Department and endorsed by the Tailings Independent Review Panel. Ban Houayxai’s TSF monitoring system is comprehensive. Apologies for getting technical, but our monitoring uses a wide range of equipment, including vibrating wire piezometers, standpipe piezometers, inclinometers, extensometers, survey prisms and satellites. This monitoring equipment assesses TSF performance and stability and facilitates data-driven decisions for expansion designs, for stability modelling.”

Has this expansion already taken place?

“The Stage 2 expansion was successfully completed in May 2024. We are currently in the middle of Stage 3 expansion, aiming to complete it by May 2026. Construction at Ban Houayxai uses our owner-operated fleet, with the embankment raised downstream as soon as the previous raise is finalised.”

What challenges were faced?

“We had a lot of material to shift! Large bulk movements tightly constrained our construction schedule for each phase. And the monsoon season didn’t help. Heavy rain hindered safe construction, reducing our productivity. Unanticipated early or late onset of the monsoon season seriously delays construction schedules. Due to the distance between the TSF and the open pit, construction materials were sourced from spillway excavation sites instead. We had to plan the work carefully, so excavation coincided with the embankment construction schedule. For example, if clay material is needed for the embankment crest raise, this can only be excavated during the dry season.”

Are there any successes you can share?

“On-time completion of the Stage 2 raise was a real success, all down to good construction schedules. The Stage 3 raise is also progressing as scheduled. Strategic construction phasing allowed for clay cofferdams to be built early across the embankment, significantly reducing the risk of overtopping in case of schedule delays.”

Image: Labelled site arrangement for the construction work at the Ban Houayxai TSF

WASTE ROCK

Our acid rock drainage (ARD) management strategy aligns with global mining industry practice for mine planning, operations and closure.

Sulphur content assessments were integrated into orebody modelling and mine planning well before operations began. This facilitated a detailed classification of rock types by their acid-forming potential, informing the integrated ARD life-of-mine plan. A similar approach has been taken to the proposed hydroelectric facility at the Frieda River Project.

ARD management provides strategies for identifying, controlling and monitoring mine waste, updated to reflect any changes in sulphur modelling. Waste rock at Phu Kham and Ban Houayxai is classified and managed as follows:

BLUE WASTE ROCK

Non-acid forming, with acid-neutralising capacity, this is deposited in designated locations.

GREEN WASTE ROCK

Non-acid forming, this can be used for other purposes.

AMBER WASTE ROCK

Low acid-forming potential, this is placed in clay-lined cells or within the TSF to prevent oxidation.

RED WASTE ROCK

High acid-forming potential, this is submerged below water and encapsulated to reduce ARD risks.

As new areas of site are developed, ARD management plans and waste classifications are reassessed, updated as needed and reviewed by external audit.

A mobile fleet management system (Jigsaw) ensures accurate waste rock placement using real-time GPS on a truck-by-truck basis. Waste rock is placed in small lifts to manage segregation and oxygen exposure, and encapsulation materials are constructed concurrently to prevent oxidation. Seepage and surface run-off from waste stockpiles is managed through internal water systems, with rehabilitation integrated in closure plans.

Third party involvement (EGi) in ARD management ensures programs are fit-for-purpose and align with methods described in the Global Acid Rock Drainage Guide, sponsored by the International Network for Acid Prevention with the support of the Global Alliance, 2014.



WATER USE AND DISCHARGES

WATER WITHDRAWAL AND DISCHARGE DATA PHU KHAM AND BAN HOUAYXAI OPERATIONS

WATER USAGE AND RECYCLING SUMMARY (2021-2023) (MEGALITRES*)

	2021	2022	2023
Fresh water domestic use	660	569	532
Fresh water to process	7,506	7,783	8,043
Total water used in process	31,021	43,445	36,420
Recycled water to process	23,515	35,662	28,378
Compliant water discharged [#]	66,165	76,786	102,886
Per centage of recycled water	76	82	78

* Measured by water meters or other estimation techniques.

Discharge water from the Phu Kham and Ban Houayxai TSFs.

WATER WITHDRAWAL BY SOURCE FOR PHU KHAM, BAN HOUAYXAI AND TOTAL 2023 (MEGALITRES)

Indicator	Phu Kham	Ban Houayxai	Total
Surface water [*] (total)	37,621	6,927	44,548
Fresh water [#]	9,243	6,927	16,170
Other water [†]	28,378	0	28,378
Ground water [^]	367	165	532
Fresh water	367	165	532
Other water	0	0	0
Total water withdrawal	37,988	7,092	45,080

* 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 a TDS concentration equal to or below 1,000 milligrams (mg) per litre (L).

† Water with a TDS concentration above 1,000mg/L.

^ Water being held in, and can be recovered from, an underground formation.

WATER DISCHARGE FROM PHU KHAM, BAN HOUAYXAI AND TOTAL 2023 (MEGALITRES)

Indicator		Phu Kham	Ban Houayxai	Total
Water discharge by destination	Surface water	17,977	84,205	102,183
	Ground water	0	0	0
	Total water discharge	17,977	84,205	102,183
Water discharge by fresh or other	Fresh water*	0	84,205	84,205
	Other water [#]	17,977	0	17,977
Water discharge by treatment	No treatment	0	78,887	78,887
	Sewerage treatment plant	98.1	69.6 [†]	167.7
	Manganese treatment ponds	2,246	N/A	2,246
	Lime dosing	31,027	N/A	31,027
	Cyanide destruction	N/A	5,372	5,372

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

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

† Ban Houayxai sewerage treatment plant discharge includes process plant run-off water.

OUR APPROACH

Water use relates to the amount of water withdrawn and consumed. Water discharges relate to the management of discharge quality to minimise impacts on ecosystems so that communities have access to fresh water. PanAust recognises the importance of responsible water management for operational needs, such as ore processing, while minimising negative impacts on local environments and communities.

WATER USE

PanAust is committed to efficient water use, recycling approximately 94 per cent of water at Phu Kham. Fresh water for cooling systems and equipment is sourced from the Nam Mo River, while domestic water is drawn from bores and surface water supplies. Clean water diversion drains at the Phu Kham open-pit and TSF reduce rainfall capture, maximise recycling and minimise freshwater consumption and discharge. The Ban Houayxai TSF is located a significant distance from the processing plant, preventing water from being recycled. Water re-use is therefore maximised within the processing plant area.

PANAUST IS COMMITTED TO EFFICIENT WATER USE, RECYCLING APPROXIMATELY 94 PER CENT OF WATER AT PHU KHAM.

WATER DISCHARGES

Steep, mountainous terrain and a tropical climate result in challenging seasonal run-off at both Phu Kham and Ban Houayxai. While not located in areas of water stress, water balance models are implemented at both sites to manage water consumption, run-off and groundwater inputs. These models, supported by monitoring programs, predict water discharge volumes and address the containment of high-sulphur tailings and waste rock to prevent ARD. Most water entering the TSFs comes from rainfall run-off, with the remainder coming from processing activities and pit dewatering (at Phu Kham). Discharges are regularly monitored and assessed against World Bank, International Finance Corporation (IFC) and Lao water-quality standards.

Due to the significant annual rainfall, excess water is discharged in a controlled manner throughout the year. In 2023, controlled wet season discharge from the Phu Kham TSF occurred between May and November in accordance with permit specifications. The Government of Laos is notified when discharge events occur and receives discharge volume and monitoring reports. All discharges were compliant with relevant water quality guidelines. The Ban Houayxai TSF is a continuous discharge facility.

Exceedances of total suspended solids (TSS) occur during the wet season and a correlation with low total dissolved solids (TDS) has been identified. TDS reduce in the wet season, when the water pond grows, and the TSS are too fine to be removed by filtration. Visible TSS disappear when the discharge water enters the Nam Ngum 2 reservoir at the ambient compliance location. Monitoring of surface water and borehole water quality confirms that TSS have a negligible impact on the environment.



BIODIVERSITY

OUR APPROACH

Biodiversity relates to nature and ecosystems conserved today and protected for the future (e.g. Sepik River in PNG) with responsible land-use planning in exploration, operations and closure.

Biodiversity plays a crucial role in maintaining healthy ecosystems with essential water filtration, soil fertility and climate regulation. Effective biodiversity management is not only a regulatory requirement but also a critical component of our social licence to operate. Mining often involves land disturbance and habitat disruption, which can significantly impact local ecosystems. Protecting and restoring biodiversity is important to minimise long-term environmental impacts for sustainable land use after mining operations cease.

Initially biodiversity and conservation assessments were undertaken for Phu Kham in 2004 and 2005 as part of the environmental and social impact assessment (ESIA) and in 2010 for Ban Houayxai as part of the environmental impact assessment (EIA). These baseline surveys identified potentially affected species and habitats and were used as a basis for the Phu Bia Mining Biodiversity Management Plan.

At the end of 2022, updated biodiversity surveys were undertaken for terrestrial, forest, fisheries and birds and were subsequently used as a basis for the Ban Houayxai Extension Project Biodiversity Management Plan in 2023. These biodiversity management plans outline the measures in place to protect, restore and offset impacts on biodiversity throughout the mining lifecycle. Measures include minimising the introduction of pests and invasive species, preventing habitat disturbance with a land clearance permit system, rehabilitating affected areas through progressive land restoration and monitoring biodiversity health to ensure that recovery goals are being met. Regular monitoring and adaptive management are also important, as well as collaboration with local communities, governments and environmental organisations. Aquatic surveys are undertaken annually and terrestrial biodiversity monitoring, as required.

LAND USE, REHABILITATION AND CLOSURE

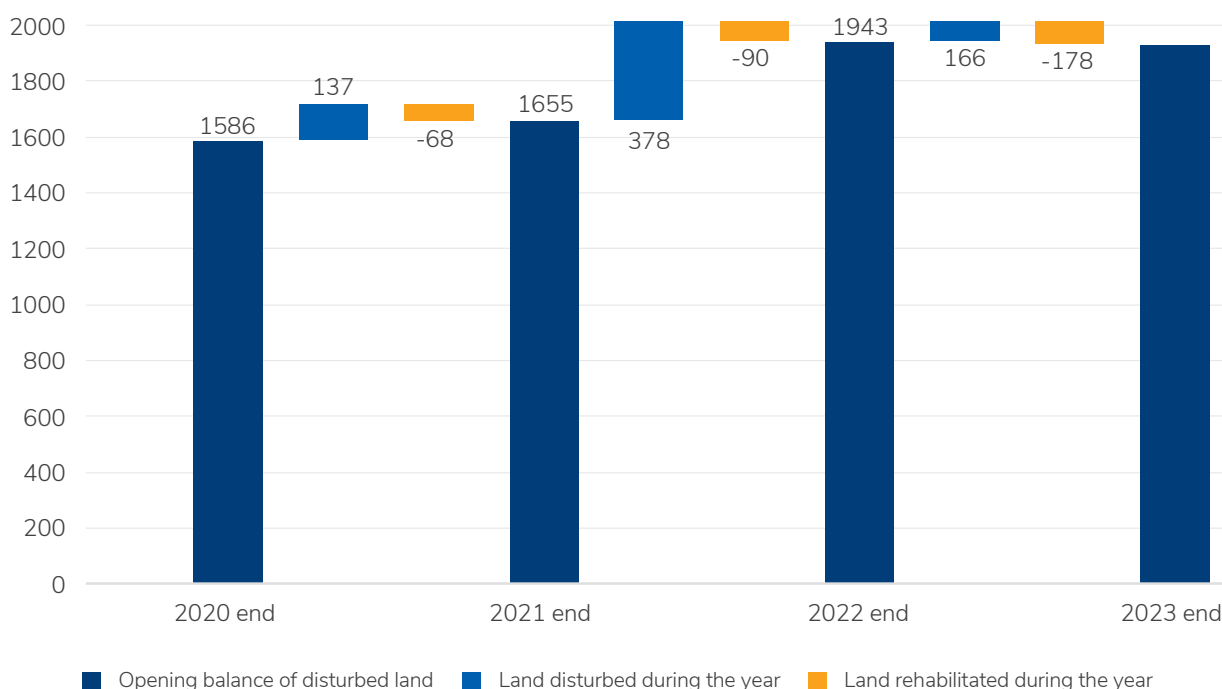
LAND DISTURBANCE AND REHABILITATION DATA

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

	2021	2022	2023
Land disturbed and not rehabilitated	1,586	1,655	1,943
Land disturbed in reporting year	137*	378	166
Land rehabilitated in reporting year	68	90	178
Total land disturbed and not yet rehabilitated	1,655	1,943	1,932

* 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.

TOTAL LAND DISTURBANCE (HA)



OUR APPROACH

Land use, rehabilitation and closure includes plans to rehabilitate the land used and address impacts on the environment, local communities and workers, when mine sites are closed.

Progressive rehabilitation of the land used during operations and thorough planning for closure are critical to meeting stakeholder expectations and fulfilling environmental obligations. Both Phu Kham and Ban Houayxai maintain nurseries to propagate native plant species and use employ local people for hand seeding. Mechanised hydro-seeding is also used to promote revegetation and surface stability across large areas.

Recognising the limitations on fully restoring areas like mining pits and tailings dams due to physical changes, we work with stakeholders on future land use based on these four mine closure principles:

- **Economic legacy:** Allowing local communities to sustain themselves at a higher economic standard than before we came.
- **Environmental legacy:** Safe, stable, non-polluting landforms.
- **Infrastructure legacy:** Consisting only of assets responsibly transferred to new owners.
- **Assured guardianship:** Relinquishing closed sites only when we are satisfied future guardianship is assured.

We align with the International Council on Mining and Metals (ICMM) Mine Closure Principles and Integrated Mine Closure – Good Practices Guide (2019).

Our updated Group Closure Standard was rolled out in 2023, led by our Closure Review Working Group (CRWG) and Closure Independent Review Committee (CIRP). Closure planning is done at all stages of a project's lifecycle and mitigation measures put in place to manage and risks identified. aim to incorporate the management of long-term closure risks. Related studies progressed in Laos in 2023, including:

- **ICMM Closure Maturity Framework Tool:** Used to operationalise the Integrated Mine Closure – Good Practice Guide.
- **Climate related data review:** Resulting in recommendations for water balance modelling, closure water management and consideration of climate change in design.
- **Phu Kham Preliminary Mine Closure Plan review:** Updated for submission, as required, to the Government of Laos.
- **Technical investigations:** Into the geotechnical, geochemistry, groundwater, surface water management, socioeconomics and demolition aspects of closure.



CLIMATE CHANGE

ENERGY USE AND GREENHOUSE GAS EMISSIONS DATA

ENERGY CONSUMPTION (TERAJOULES)

Material	2021	2022	2023
Diesel	2,064.4	2,334.9	2,629.2
Electricity	1,278.5	1,594.6	1,490.1
Petrol	1.6	1.3	1.7
LPG	6.5	7.6	9.6

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

Material	2021	2022	2023
Diesel intensity (kJ/t)	43,005	40,350	48,742
Electricity intensity (kJ/t)	26,634	27,556	27,624
Total ore and waste mined (Kt)	48,004	57,867	53,941

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

GREENHOUSE GAS EMISSIONS (TCO₂-E)*

Greenhouse Gas Emission Scope	2021	2022	2023
Scope 1 (direct greenhouse gas emissions)#	172,278	198,839	222,456
Scope 2 (indirect greenhouse gas emissions from the generation of purchased electricity)#	31,376	18,426 [†]	17,194
Scope 3 (greenhouse gas emissions from the broader project lifecycle including materials used, travel and transport)	138,187	169,177	170,928
Total emissions	341,841	386,442[^]	410,578

* 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

[†] 2022 figure reduced from 31,376 as reported in the 2022 report due to the changed Laos electricity grid breakdown applied in 2023.

[^] 2022 figure reduced from 407,040 as reported in the 2022 report due to the changed Laos electricity grid breakdown applied in 2023.

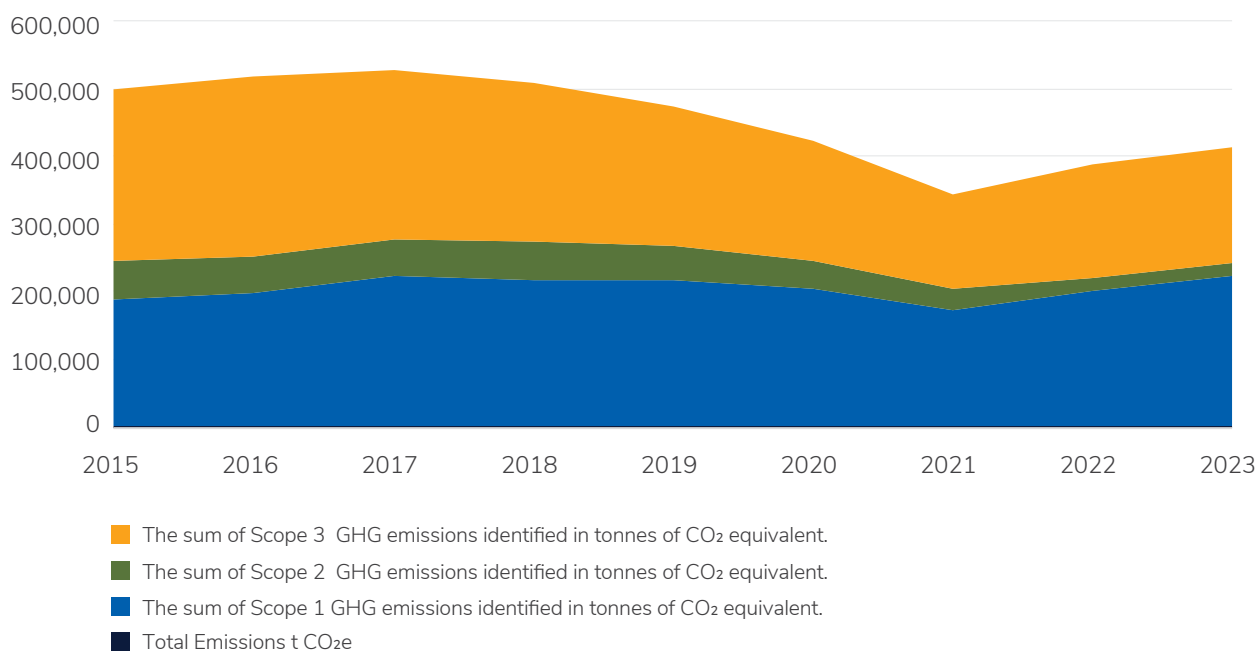
2023 GREENHOUSE GAS EMISSIONS (TCO₂-E) BY MINE SITE*

Greenhouse Gas Emissions	Scope 1	Scope 2	Scope 3	Total Emissions
Phu Kham Operation#	129,417	11,987	101,326	242,730
Ban Houayxai Operation#	56,295	6,255	62,315	124,865

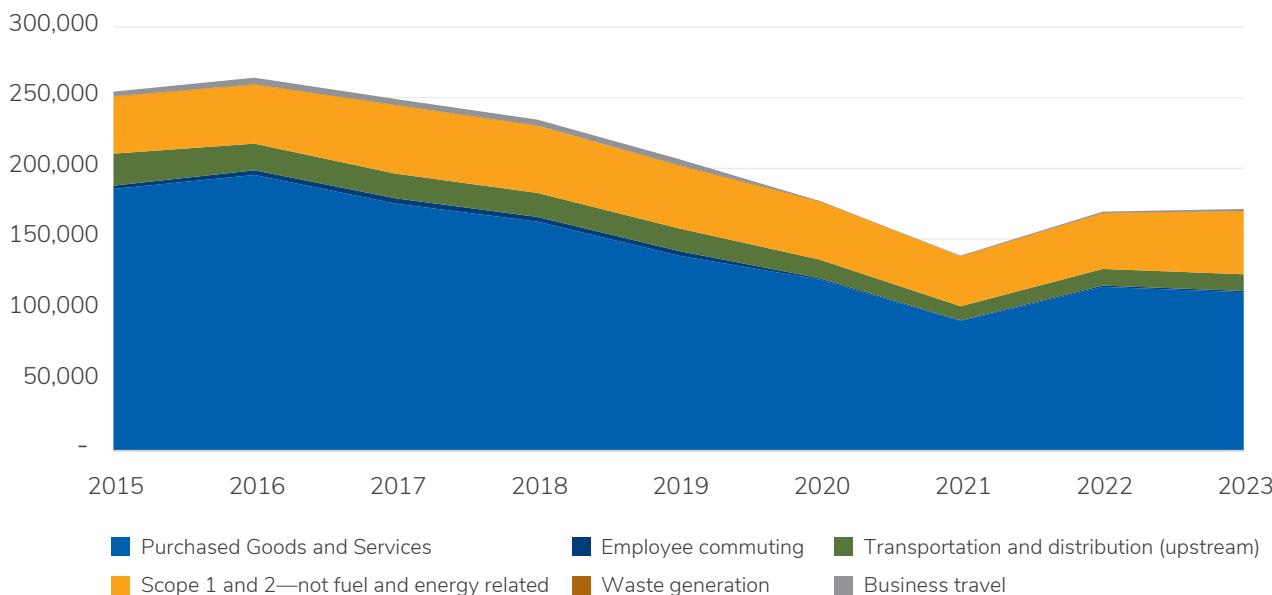
* Measured according to the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol

Emissions include Phu Kham, Ban Houayxai mining operations only. They exclude Logistics activities, the Frieda River Project, exploration activities and offices

TOTAL GREENHOUSE GAS EMISSIONS OVER TIME



SCOPE 3 GREENHOUSE GAS EMISSIONS



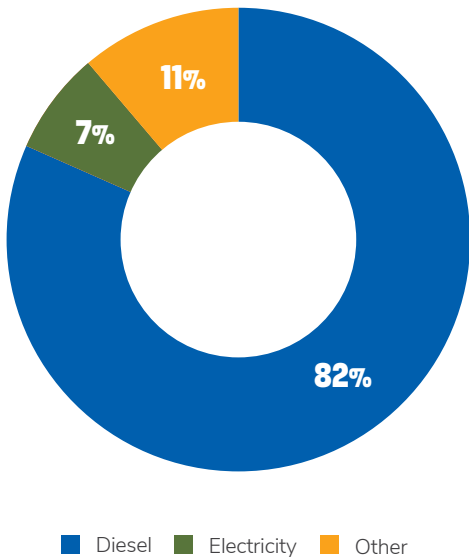
GREENHOUSE GAS EMISSION INTENSITY

Greenhouse Gas Emissions Intensity	2021	2022	2023
Phu Kham Operation (tCO ₂ -e/t copper)	4.20	3.81*	3.05
Ban Houayxai Operation (tCO ₂ -e/oz gold and silver)	0.08	0.11#	0.15

* 2022 figure reduced from 4.17 as reported in the 2022 report due to the reduction in total scope 2 emissions from the changed Laos electricity grid breakdown applied in 2023.

2022 figure reduced from 0.12 as reported in the 2022 report due to the reduction in total scope 2 emissions from the changed Laos electricity grid breakdown applied in 2023.

2023 SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS BY ENERGY SOURCE



OUR APPROACH

Our approach to climate change relates to working towards a net zero contribution by tackling Scope 1 greenhouse gas (GHG) emissions (directly from operations), Scope 2 (indirectly from energy use for operations) and Scope 3 (indirectly from logistics, transportation and procurement).

Establishing adaptation plans is also important for the resilient of our assets and resources in the face of potential climate change impacts, whilst also helping communities and economies to withstand these potential climate change impacts. As a supplier of critical commodities such as copper, essential for renewable energy and electrification technologies, we also support global decarbonisation.



ENERGY AND RESOURCE EFFICIENCY

As a substantial consumer of energy, fuel and electricity are significant cost drivers for us. Projects to improve energy and materials efficiency are therefore encouraged to optimise resource use and reduce emissions. In 2023, Phu Kham's copper concentrate was transported to two main ports for export to smelters in Asia. 70 per cent was trucked in covered containers to Hon La Port 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).

With volumes expected to decline from 2024, a cost analysis of logistics haulage routes supported a full transition to Sriracha Harbour to yield significant cost savings. This transition will enable all concentrate haulage to be outsourced to a single contractor in Thailand, freeing up our own fleet to focus on domestic freight transport within Laos. As a result, our fleet will travel fewer kilometres, extending vehicle life and reducing wear and tear.

Other resource efficiency projects identified in 2023 included:

- **Hydraulic oil change:** Extending the interval between hydraulic oil changes to reduce the volume used and disposed of each year (see more detail below).
- **Fuel burn rates:** 777D fuel burn power BI reporting and more accurate monitoring of Phu Kham 777D dump truck fleet fuel burn rates.
- **Ban Houayxai reduction of ore to stockpile:** Saving rehandling and associated fuel burn.
- **Ban Houayxai S7 and SP4 backloading:** Reducing haulage truck cycles and related fuel burn.
- **Phu Kham grinding optimisation:** From dual to single ball mill, reducing electricity usage.

We are also a member of the International Copper Association Australia (ICAA) and serve on its Board. The ICAA's multi-year program, Road to Zero, provides mining companies with clear perspectives on current and future technologies to increase efficiency and lower emissions.

HYDRAULIC OIL CHANGE PROJECT

The Mobile Maintenance Department has achieved a 5-star contamination control rating with Caterpillar for 10 years now, at both Phu Kham and Ban Houayxai. By reducing the potential for contamination of lubricating and hydraulic oils and associated spare parts, such as oil hoses and filters, the department has increased the time between hydraulic oil changes from every 2,400 hours to 4,800 hours.

Prior to the change, approximately 91,000 litres of hydraulic oil were consumed each year. This dropped to approximately 45,000 litres per year after the change, reducing Scope 3 emissions by 41.5 tonnes of CO₂-e. While only a small reduction in emissions, it demonstrates our commitment to emissions reduction opportunities across all areas of the business.

SCOPE 1 GHG EMISSIONS

Our Scope 1 emissions represent 54 per cent of our overall total. Diesel consumption for mining and transport is the largest component, responsible for 81 per cent of total Scope 1 and Scope 2 emissions. Driver behaviour is important to delivering fuel efficient transport. Our 'Smooth Driver' fuel efficiency program helps reduce fuel consumption and emissions. The program is run using the Scania Fleet Management System (Scania FMS). The Scania FMS gives 24-hour access to key fleet details via the Scania Fleet Management Portal, including driver evaluation and vehicle evaluation reports. Since implementation of the program, driver results have improved with the average fuel burn around 1.7 km/L of fuel. The best 'Smooth Driver' performers are rewarded.

SCOPE 2 GHG EMISSIONS

Scope 2 emissions make up just 4 per cent of our overall total. As the main source of power in Laos is renewable, namely hydroelectric dams, there is minimal scope for reducing these emissions. Electricity is used primarily in the crushing and grinding circuits at Phu Kham and Ban Houayxai, where the volume of ore being processed drives the load. In 2023, PanAust received updated advice from EDL, the government electricity provider in Laos, regarding the breakdown of electricity supplied from the Laos electricity grid from 2022 onwards.

Pre-2022, the composition was 16 per cent from Thailand and 84 per cent from hydroelectric power in Laos. In 2022, the proportion sourced from Laos increased to 95.02 per cent, of which 97.1 per cent is zero emission renewable energy from hydropower, solar and biomass. The remaining 4.98 per cent consists of 4.45 per cent from Thailand, 0.27 per cent from Vietnam and 0.08 per cent from China. This change reduces Scope 2 emissions significantly, requiring a restatement of GHG emissions for 2022 and the use of updated per centages for the 2023 Scope 2 GHG emissions calculation.

SCOPE 3 GHG EMISSIONS

Scope 3 emissions comprise 42 per cent of our overall emissions and relate to upstream sourcing, production and transportation of the raw materials we use and downstream logistics and employee commuting.

MANDATORY CLIMATE-RELATED FINANCIAL DISCLOSURES

During the second half of 2023, the Australian government introduced draft legislation relating to mandatory climate-related financial disclosures for large Australian entities, under which PanAust would classify as a group 1 reporting entity. A review of the draft requirements was undertaken and a paper presented to the PanAust Governance Committee in November 2023. As the legislation becomes clearer in 2024, a gap analysis will be undertaken against the requirements and a roadmap developed to address any gaps.



HEALTH, SAFETY AND WELLBEING PERFORMANCE

HUMAN CAPITAL

MATERIAL ISSUES

Health, safety and wellbeing: Physical and mental health, safety and wellbeing of our people protected with a Zero Harm philosophy, visible leadership driven safety culture, behavioural based safety observations and leading indicator programs. Contractors also trained in our Health and Safety

Management System. Significant incidents prevented and controlled to avoid fatalities, injuries or ill health, environmental impacts and damage to local communities and infrastructure. Cyanide managed to prevent harm during transportation, handling, storage and use.

KEY METRICS

Metric	2023	2022	2021	2020	Performance compared to 2022
Number of fatal work-related injuries	0	0	0	1	No change
Total Recordable Injury Frequency Rate	0.32	0.89	0.22	0.43	64 per cent decrease
Lost Time Injury Frequency Rate	0.06	0.07	0.15	0.07	14 per cent decrease
Number employees, private and public security personnel trained in the voluntary principles and use of force	1126	511	520	617	120 per cent increase

OUR STAKEHOLDERS TOLD US



PANAUST'S EMPLOYEES ON SITE WORK WITH EQUIPMENT AND CHEMICALS AND DRIVE TRUCKS, MAKING HEALTH, SAFETY AND WELLBEING VERY IMPORTANT."

Aekananh Keosouvath, Banker, Austcham Lao (industry association)

INTRODUCTION

The health and safety of our people will always be our top priority

We are proud to have a track record of doing the right thing and maintaining our focus on safety in Laos, an approach we take to any new activities, no matter where. It is widely known that investing in health and safety reduces absenteeism and incidents. But more than that, prioritising health and safety lifts the satisfaction, productivity, morale, loyalty and retention of our people. In short, a good safety record makes our people feel at ease and secure and that is always a priority for us.

In this chapter, we start with data on our safety performance followed with our approach to health, safety and wellbeing. Given this is our most material issue, the way we do things is comprehensive and well established, it has been a priority for a long time. We have controls, rules, induction and forums alongside incident reporting, emergency response, contractor management and fitness for work. Occupational health is also critical, and we share a case study on our approach to this in Laos from Mark Stirling, Risk Manager—Laos.

HEALTH, SAFETY AND WELLBEING

HEALTH, SAFETY AND WELLBEING DATA

NUMBER* AND PER CENTAGE OF EMPLOYEES AND CONTRACTORS COVERED BY A SAFETY MANAGEMENT SYSTEM (SMS) AT 31 DECEMBER 2023

Site / Country	Number of employees	Number of contractors	Per centage of employees and contractors
Brisbane head office/Australia	36	6	100
Phu Kham Copper-Gold Operation/Laos	1191	512	100
Ban Houayxai Gold-Silver Operation/Laos	582	339	100
Commercial, Logistics, Projects, External Affairs and Business Support functions/ Laos/Vietnam/Thailand	2027	422	100
Exploration/Laos	158	269	100
Exploration/Myanmar	2	2	100
Frieda River Project/ PNG	19	7	100
Total	4014	1556	100

* Average numbers for 2023.



PANAUST GROUP REPORTABLE INCIDENTS (CONTROLLED WORK SITES)*

	2021	2022	2023
Employees			
Working hours	10,659,029	11,374,295	12,096,006
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	10	4
Total Recordable Injury Frequency Rate (TRIFR)	0.28	0.88	0.33
Lost time injuries	2	0	1
Lost Time Injury Frequency Rate (LTIFR)	0.19	0.00	0.08
Occupational illness	0	0	0
Contractors			
Working hours	3,072,609	3,227,172	3,387,235
Fatalities	0	0	0
FIFR	0.00	0.00	0.00
High consequence work-related injuries	0	0	0
HCFR	0.00	0.00	0.00
Total recordable injuries	0	3	1
TRIFR	0.00	0.93	0.30
Lost time injuries	0	1	0
LTIFR	0.00	0.31	0.00
Occupational illness	0	0	0
Combined employees and contractors			
Working hours	13,731,638	14,601,467	15,483,241
Fatalities	0	0	0
FIFR	0.00	0.00	0.00
High consequence work-related injuries	0	0	0
HCFR	0.00	0.00	0.00
Total recordable injuries	3	13	5
TRIFR	0.22	0.89	0.32
Lost time injuries	2	1	1
LTIFR	0.15	0.07	0.06
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.

OUR APPROACH

Achieving business objectives while ensuring the safety of our workforce and host communities is fundamental to PanAust's success and aligned with our core values.

Through visible leadership and consistent action, PanAust's leaders promote a culture of Zero Harm at every level of the organisation. Visible safety leadership is championed across the Company, recognising that a risk-aware workforce is essential to achieving robust safety outcomes. To reinforce this, PanAust integrates behavioural-based safety programs into its remuneration incentives, driving a continuous cycle of safety improvement.

Leading-indicator programs are designed to prioritise proactive safety measures, including hazard identification, job safety observations (JSOs), workplace inspections, planned task observations (PTOs) and comprehensive safety training. These initiatives not only support day-to-day operations but also contribute to long-term improvements in safety performance. Health and safety risks are managed through the Safety Management System (SMS), based on ISO 45001, the international safety management system standard. PanAust extends its commitment to health and safety beyond its operational boundaries throughout the supply chain, by influencing outcomes through contractual agreements and rigorous contractor health, safety and environment (HSE) standards.

PanAust has established specific safety standards that set the minimum expectations for managing 19 high-risk activities, known to historically contribute to fatalities and material unwanted events in the mining industry. These standards are regularly reviewed by both internal subject matter experts and external specialists to ensure they remain up-to-date and relevant to our operations. Incidents and risks are continuously assessed to identify emerging hazards and when necessary, new Group Safety Standards implemented. The Cardinal Rules target high-risk activities within the mining industry that have historically caused serious harm. At PanAust, these include a Laos-specific Cardinal Rule addressing the potential presence of unexploded ordnance (UXO). Due to the serious consequences of breaching these rules, they are designed to be unambiguous, and employees are trained to fully understand their significance, comply with them and mitigate any risks effectively.

PANAUST'S CARDINAL RULES

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.
8. Supplementary Cardinal Rule for Laos: Never handle any item of UXO or related military objects unless qualified/licensed to do so.

SAFETY INDUCTION

Before entering a PanAust-controlled site, employees, contractors and visitors are required to complete a safety induction. This covers general safety procedures, workplace-specific guidance, hazard identification and Take 5 or Take 5 Underground training. Mandatory core safety programs are also offered as well as specialist training for high-risk activities. Training requirements are carefully assessed based on an individual's location and role. Mandatory training is provided free of charge to employees and contractors, with contractors charged a nominal fee for non-mandatory and specialist high-risk work training.

The general induction for employees and contractors in Laos includes the following courses:



MANDATORY

- General safety induction
 - Site safety requirements
 - Objectives, targets and KPIs
 - Cardinal rules
 - IMS and safety standards
 - Fatigue management
 - Emergency response and incident reporting
 - Personal protective equipment
 - Alcohol and drugs
- Hazard identification
- Take 5



EMPLOYEES ONLY

- New employee induction:
 - The PanAust Way
 - Sustainability policy
 - Employee policy
 - Camp rules and regulations
 - Human rights standard
 - Workplace behaviour standard



LOCATION AND ROLE SPECIFIC

- Open-pit induction
- Underground induction
- Take 5 underground
- Self-rescuer
- Processing induction
- Mobile workshop induction
- Material safety data sheets
- Job safety analysis
- Job safety observation
- Permit to work
- Radiation safety awareness
- Dangerous goods storage
- Safe manual handling
- Workplace inspections
- Excavation permit procedure
- Geotechnical hazard awareness
- Geotechnical landslide risk management
- Basic risk management
- Incident investigation
- Exploration safety induction
- Cyanide induction
- Planned task observation

SAFETY TRAINING

In Laos, general induction training is designed and delivered internally. Specialist courses, such as fire extinguisher training, are conducted by the Fire and Emergency Services Department, while high-risk work licences are issued through the Risk Department High-Risk Work Training Team. All training is available in Lao and English and most in Mandarin.

Basic hazard identification training empowers the workforce to actively identify hazards as part of their routine work, address them immediately or report them to a supervisor using a 'hazard identification form.' They can also use Take 5 (part of the general induction), job safety analysis development, workplace inspections, job safety observations and planned task observation processes.

Once identified, hazards are assessed using PanAust's risk management framework, and controls implemented to either eliminate or reduce the associated risks, using the hierarchy of controls. The PanAust Way emphasizes that no one should compromise their own or others' safety by engaging in activities they believe to be unsafe. Employees are empowered to stop any real or suspected unsafe activities and are protected from threats or reprisals when reporting legitimate safety concerns.

In 2023, PanAust significantly increased its safety training efforts to enhance safety awareness across the workforce. 42,250 hours of safety inductions and Health, Safety and Environment training were completed at its Laos operations in 2023, compared to 27,173 hours in 2022.

SAFETY INCIDENT AND RISK MANAGEMENT

Our Group-level Incident Reporting and Classification Procedure, aligned with the Minerals Council of Australia (MCA) Guidelines, provides a standardised approach for the notification, investigation and reporting of incidents. The Incident Cause Analysis Method (ICAM) is used to determine the root cause of significant incidents, with corrective actions implemented to prevent recurrences. Senior managers oversee significant incident investigation, considering Group-wide implications and emerging safety concerns, and communicating findings with similar activities or different activities with similar risks.

PanAust regularly convenes a Safety Summit, bringing together a diverse group from across the business, both employees and contractors, tasking them with reviewing past safety performance and identifying emerging trends and potential safety risks. Underground operations commenced in 2023, a new activity for PanAust, introducing a range of new hazards. The Safety Summit provided a critical platform to discuss and collaborate on robust controls and procedures to safely manage underground operations. External safety specialists and peer companies facilitated industry-wide knowledge exchange, enabling PanAust to stay ahead of emerging trends and adopt controls developed and tested across the mining industry. Other safety forums include 6 monthly contractor safety workshops, monthly health and safety committee meetings and weekly toolbox meetings for site-based operational teams.

In 2023, there were 4,514 health and safety-related toolbox meetings, 22 health and safety committee meetings and two contractor HSE management workshops involving eleven contracting companies.

EMERGENCY RESPONSE

Each operation has an emergency response plan and the Company a well-established crisis management structure, tested regularly to ensure that team members are proficient in their roles. Dedicated professional fire and emergency services teams complete training equivalent to an Australian Certificate III in Mines Emergency Response and Rescue.

For more information about the Company's crisis management framework, see page 105.



CASE STUDY

TSF CRISIS DRILL

Interview with Joel Slater, TSF Superintendent—Laos

What inspired you to conduct the crisis drill at the TSF?

"Tailings Storage Facilities represent a significant risk to local communities. It is therefore critical we can respond effectively in emergency situations. Knowledge of our emergency response protocols is one way we can be ready. Another is conducting crisis drills. Whilst these must be done every three years under the Global Industry Standard on Tailings Management, we do them annually. They also serve as training sessions to review and refine our emergency response procedures."

Talk me through the scenario.

"The crisis simulation involved a significant earthquake near the TSF, resulting in a failure on the lower bench of the tailings dam. Separate to this was a landslide, which blocked the TSF access road, isolating the area and complicating our response efforts. It was very realistic."

How did the drill play out?

"The initial response involved evacuating all personnel from the TSF to a designated safe muster point at the TSF office. The tailings line was then shut down to halt further deposition and a Significant Incident Response Team established. The team included the TSF Engineer of Record and Designer of Record as our technical experts. Monitoring data was reviewed, and CCTV footage assessed. This revealed no further movements or concerning readings post-earthquake. The TSF construction team effectively cleared the access road, and entry to the TSF was restricted for 72 hours while assessments, monitoring and remediation designs were developed. The construction team then implemented a buttress remediation design approved by the Engineer of Record."

What went well, what were the successes?

We reviewed the drill to work out what went well and what could be done differently next time. Successes included the quick formation of the Significant Incident Response Team at the plant site office and their effective communication with the Field Response Team Assistance was requested in a timely manner and the Significant Incident Response Team leader assigned roles quickly and effectively. Regular updates were provided by the FRT and TSF office, along with good record keeping. Communication and direction from Knight Piésold personnel was also strong, including our Engineer of Record and their Queensland Regional Manager. The Significant Incident Response Team Administrator also delivered good timely situation reports or SITREPS.

Was there anything that didn't go according to plan, any challenges faced?

Nothing every goes 100 per cent according to plan and areas for improvement inevitably emerged. These included the pace of accessing monitoring data from the Significant Incident Response Team room, it was too slow. It also took people too long to understand their roles, as the majority hadn't done one of these drills before. Staff appointed as board writers to note major points on the Significant Incident Response Team room whiteboards didn't understand the technical terms being used, which also caused delays."

What learnings do you take from the drill and how will you use them?

"The drill resulted in several actions, all of which have now been completed. These included more appropriate boards for the A0-sized yellow cards used in the Significant Incident Response Team room. Establishing a Significant Incident Response Team cabinet at the TSF was also identified to allow the Team to be run from there, if required. Installation of a CCTV camera at the TSF toe was highlighted to enable better embankment visibility. Involvement of a supervisor/engineer familiar with the TSF as a board writer was also agreed for future drills. Finally, the need for more exercises was clear, not least for people to become more familiar with the roles involved, and it was decided to hold them annually."

SAFETY PERFORMANCE

PanAust's total recordable injury frequency rate (TRIFR) of 0.32 in 2023 is significantly lower than our target of 1.30 and continues to be significantly better than global industry⁷ average of 2.59 and industry peers. This low TRIFR is particularly commendable given our increasing risk profile as underground development works commence at Ban Houayxai.

Our lost time injury frequency rate (LTIFR) of 0.06 in 2023, due to one lost time injury (LTI), is also significantly lower than our target of 0.33. Total recordable injuries (TRIs) for employees reduced from 13 in 2022 to five in 2023. The most common work-related injuries for both employees and contractors were lacerations (24 per cent), sprains and strains (16 per cent), abrasions (16 per cent) and contusions (12 per cent). The principal areas of the body injured were hands and fingers (32 per cent), face (20 per cent) and feet and toes (20 per cent). These injuries accounted for 72 per cent of all work-related injuries throughout the year. Bio-mechanical products, hand tools (non-powered), powered equipment and tools and environmental conditions contributed to 48 per cent of incidents. Of the five more severe recordable injuries, four related to lacerations to the hands and fingers from hand tools or other powered equipment.

CATEGORIES OF CONTROL

CONTROLLED

Controlled activities are on PanAust-owned or leased sites, regardless of who is carrying out the work, including contractors. Where our employees directly supervise or conduct work on non-PanAust-owned or leased sites. Transport of the workforce on a public road by an employee, appointed contractor or private charter exclusively for PanAust. Product transport via PanAust operated and maintained vehicles. Our recordable safety statistics include controlled work-related activities where we can set, supervise and enforce safety, health, environmental and community standards. Only controlled activities are included in our recordable safety statistics and reported externally.

INFLUENCED

Influenced activities are conducted by contractors exclusively on PanAust's behalf, not on controlled sites but with the potential to expose our employees, contractors or members of the public to injury or incidents. Contractors are required to have sufficient management structures and systems in place and PanAust provides oversight through regular audits and site visits. Haulage of PanAust product and public road maintenance performed by a third-party contractor in the host country of operation. Contractors providing a private transport service for their own workforce from a host community to a PanAust site. Contractors transporting high-risk dangerous goods (in bulk) on PanAust's behalf.

MONITORED

Monitored activities are like influenced activities, but with a lower risk of exposure, hence the level of oversight from PanAust may be less frequent. Haulage of PanAust product external to the host country of operation.

UNCONTROLLED

Uncontrolled activities are where PanAust has no influence, such as commercial public transport services, beyond the ability to select the provider based on performance.



⁷ International Council Metals and Mining (ICMM) Safety Performance Report; Benchmarking progress of ICMM company members in 2023.



VEHICLE INCIDENTS

A key area of increased risk for the Company is the volume of third-party trucks on the ADB9 road in Laos. This is the main logistics route for the transport of personnel, consumables and copper concentrate for the Phu Kham Operation. Use of the ADB9 has increased significantly over the last three years, with third-party truck movements up to 200 per day. This causes road accidents involving the public, numerous near misses with our mining vehicles, frequent road blockages and degradation of the road surface. We work closely with the Xaisomboun provincial government and the third-party companies to address these issues equitably.

During the June 2022 Safety Summit, ADB9 road conditions and third-party driving behaviour were identified as significant risks to our haulage and employee transport. The Phu Bia Mining logistics team developed a two-stage approach to mitigate these risks.

Stage 1 focused on short-term actions carried out in 2022, including collaborating with the Ministry of Public Works and Transport to provide additional personnel at the weighbridge near Phu Kham to ensure third-party compliance with weight restrictions. Safety signage was also installed, and local police engaged to escort Phu Bia Mining convoys and enforce traffic safety. Stage 2 involved longer-term measures implemented towards the end of 2023. The introduction of a mass transit ferry service across the Nam Ngum II reservoir between Phu Kham and Ban Houayxai allowed us to reduce almost 80 per cent of employee transport on the ADB9. Two 45 seat ferries were commissioned in October 2023 with regular passenger services commencing in November 2023.

CONTRACTOR MANAGEMENT

PanAust works closely with local contractors, many of whom have little to no mining experience, to enhance their safety culture. This approach presents challenges, and contractor management continues to be a high-risk area. While there were no high-consequence contractor injuries in 2023, the Company remains vigilant in addressing safety risks and continues to prioritise closing gaps in contractor safety performance.

Our Group Contractor Management Standard outlines health, safety and environmental requirements for contractors and PanAust contract owners, with templates and supporting documentation provided on our intranet and file-sharing platforms. Training for contract owners and superintendents reinforces our expectations and ensures effective implementation of the Standard. Contractors undergo regular audits of their facilities, risk registers, training programs and compliance with safety management systems. In 2023, five contractor health, safety and environmental awareness audits were conducted, involving our contractor managers, building stronger contractor relationships as a result.

For larger, long-term contractors directly supporting our operations in Laos, we provide support by embedding our own maintenance and safety staff at their facilities. In place for several years, this approach has improved contractor maintenance practices and safety performance. We also host contractor safety workshops in Laos to facilitate constructive two-way dialogue. These workshops help contractors assess their position on the safety spectrum and identify ways to improve their organisational safety culture. They also provide PanAust with valuable insights into the issues affecting contractor safety performance and opportunities to collaborate on solutions to manage and mitigate these risks.



HEALTH AND WELLBEING

OCCUPATIONAL HEALTH

Malaria is the main occupational illness risk for our employees and contractors. In 2023, no cases of occupational illness were recorded across the Group, attributed to actions in PNG and Laos to control vector sources. These included the removal of containers from around site to prevent the accumulation of standing water, mosquito fogging of camp facilities, use of Permethrin treatment on mosquito nets and in the laundering of clothing on-site.

PanAust's operations in PNG and Laos are located in remote areas with limited government infrastructure to deal with complicated or severe medical emergencies. Our own ability to manage medical emergencies is therefore vital to the health and safety of our employees and host communities. Hence, our operations each have medical clinics equipped for trauma management, staffed by doctors and/or paramedics, also providing emergency services to host communities. Our Operations in Laos also have dedicated occupational health and hygiene (OHH) teams. They perform 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.



CASE STUDY

OCCUPATIONAL HEALTH IN LAOS

Interview with Mark Stirling, Risk Manager—Laos

What diseases are prevalent in Laos?

"Where do I start? On the communicable disease front we have Dengue Fever, Herpes Simplex Virus (HSV), Tuberculosis (TB), Respiratory Syncytial Virus (RSV), Human immunodeficiency virus (HIV), diarrheal diseases, Hepatitis B and C and Typhoid. But there are also non communicable diseases, such as diabetes, hypertension, heart disease, breast cancer, renal failure and lung cancer."

How are you monitoring and treating these diseases?

"Fully equipped medical clinics at Ban Houayxai and Phu Kham are staffed 24/7 by doctors and paramedics. Our Phu Kham clinic also supports local emergencies and treatments. With more than 2,000 non-work-related treatments per month, the most common ailments are upper respiratory infections because of our climatic conditions in Laos. We also provide health awareness campaigns for staff, contractors and the local community, as well as workplace exposure monitoring, including food and water testing and food supplier audits. Last, but not least, annual medicals are provided for everyone, with front line staff also receiving vaccination programs."

What are the main challenges faced?

"With two large sites, maintaining a high level of food hygiene, including preparation and storage, as well as water quality, are ongoing challenges requiring substantial effort. With the climate in Laos, which is basically either hot and dry or hot and wet, changes in weather lead to mass increases in upper respiratory infections. And then there is the movement of large numbers of people every day by bus, increasing everyone's exposure to infection."

Have there been any big wins lately?

"When COVID 19 hit, we engaged additional paramedics and implemented controls swiftly. Isolation, limitations to site access, compulsory testing prior to site access and free vaccination programs were put in place. We are proud of how well these controls and contact tracing enabled operations to continue throughout the COVID 19 high risk period."

Are there any individual success stories you can share?

"We have been developing local Lao national staff to take on increased responsibility and leadership. Two recent success stories spring to mind, Ms Yer Kue and Dr Anongxai. Ms Yer Kue was promoted to Occupational Health and Hygiene Supervisor, replacing an expatriate position. A consistent, accurate and quiet achiever, she demonstrated a professional approach to implementing our occupational health program. Dr Anongxai was promoted to Senior Doctor after being with us for more than 14 years. She started out in our Exploration Department back in October 2008, before moving to the Risk Department in 2010."

FITNESS FOR WORK

Operation of heavy equipment by a workforce on long rosters and shifts requires a workforce that is ‘fit for work’ to prevent work-related injuries.

Being ‘fit for work’ involves being physically and mentally capable of performing duties without jeopardising anyone’s safety. Factors such as fatigue, excessive alcohol use, drug use and unreported injuries or illnesses can compromise fitness for work and pose serious risks to workforce safety. PanAust’s Group Safety Standard—Fitness for Work outlines the minimum safe work requirements and supporting programs, such as the Incident Free Program in Laos.

The Company enforces a strict drug and alcohol policy for all employees and contractors, including zero tolerance for illegal drug use and a 0.00 blood alcohol content (BAC) at all operational and exploration sites. Random drug and alcohol testing is undertaken, with processes in place for declaring prescription medications and self-testing BAC before arriving at work. Despite these controls, in 2023, there were six positive drug tests from 8,354 tests and 27 breaches of the 0.00 BAC policy.

All injuries and illnesses, whether work-related or occurring in our camps or during breaks, must be reported to the Company’s medical clinics. These clinics determine an individual’s ability to safely perform their duties. To encourage reporting, PanAust operates 24-hour medical clinics at its operations in Laos and provides 24-hour access to medical support at its project site in PNG. Staff are encouraged to seek free private consultations and treatment whenever they feel unwell. In 2023, the Laos operations saw 26,368 medical consultations, while 340 consultations were conducted in PNG.

Managing fatigue is a critical component of ensuring fitness for work and PanAust’s Group Fatigue Management Standard covers:

- 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 for the workforce.

The Company introduced the Caterpillar Driver Safety System (DSS) across its 777D mine fleet at Phu Kham and Ban Houayxai in 2020 and throughout its concentrate haulage fleet in 2021. This system detects operator fatigue before fatigue-related incidents occur, and in its first year, it resulted in a 62 per cent reduction in fatigue events. In 2023, only three fatigue-related incidents were recorded, one in mining operations at Phu Kham and two in logistics.

WELLBEING

Supporting the mental, emotional and physical health of workers not only enhances safety but also boosts productivity, morale and employee retention. A healthy workforce is more alert, less prone to accidents and better equipped to handle the pressures of the job.

In 2023, the Queensland government amended the state’s Work Health and Safety Regulations to include management of psychosocial risks and hazards in the workplace, recognising the importance of mental health alongside physical safety. In response, the People at Work psychosocial survey was undertaken at PanAust’s head office in Brisbane.



CASE STUDY

PSYCHOSOCIAL SAFETY REVIEW

Interview with Karl Curnow, Group Manager Risk and Sustainability, PanAust

What is a psychosocial safety review, what does it involve?

"Psychosocial safety is the protection of our psychological and social wellbeing in the workplace by addressing issues such as work-related stress, harassment, bullying and burnout. We used the People at Work Survey to review this in our Brisbane Office, a free and validated risk assessment survey funded by State and Federal safety regulators."

Why do it, what was the driver?

"In April 2023, the Queensland Work Health and Safety Regulations were amended to include the management of psychosocial safety risk in the workplace. Internally we assumed the risk wouldn't be high, but we had no evidence to support this and needed to build our understanding. That's why we used the People at Work Survey."

What sort of issues came up, can you provide some examples?

"Overall, the survey revealed minimal concern about psychosocial hazards and injuries in the Brisbane office. Of more concern, however, was the 17 per cent who had experienced bullying in the workplace over the past 6 months. This bullying was predominantly attributed to external co-workers and direct supervisors. It was a surprising result as the Brisbane office is quite small and feels more like a family than a corporate office. I don't think the management team was expecting to see bullying raised as an issue."

Were any challenges faced doing the work?

"The main challenge was getting people to complete the survey. We eventually managed a 60 per cent completion rate."

Did the review shine a light on any good practice?

"Yes, it showed our workplace to be largely low risk for psychosocial hazards and injuries."

What are the main priorities to work on from here?

"The immediate priority was a refresher for everyone on bullying and harassment. The company stressed zero tolerance for this behaviour and reinforced it is not acceptable in any situation. More broadly, given the overall low level of risk, from here we will monitor and review with pulse surveys to keep an eye out for any change of direction."

If you could sum up the findings of the review in one word, what would that be and why?

"Interesting. I don't think anyone was expecting to see bullying and harassment raised as an issue as the office is quite small and we all know each other like a family."

SECURITY

SECURITY DATA

VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS (VPSHR)

Laos People Army (LPA)	Loss Prevention Department (LPD) and Private Security	Total
1074	52 LPD and Private Security	1126

OUR APPROACH

PanAust is a member of the Voluntary Principles on Security and Human Rights (VPSHR), implementing clear guidance and procedures to manage the human rights aspects of security at its operations and projects. We continue to monitor our security processes, procedures and training in Laos and PNG, tailoring our approach 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, 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 our exploration sites. Periodically these incidents have resulted in temporary restrictions on operational and logistics activities.

In 2023, no security incidents relating to local security threats were reported. Much of this can be attributed to ongoing economic development in the region and opportunities provided by PanAust.

In PNG, private security contractors are used on an ad hoc basis, with each assessed for their ability to meet PanAust requirements and commitments to the VPSHR. A memorandum of understanding (MoU) is in place with the Royal PNG Constabulary addressing our VPSHR obligations.



LAO PEOPLE'S ARMY (LPA)

PanAust's strict security 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 2023, the LPA presence was increased by approximately 38 to a total of 238, to support the expansion of mine development and offsite exploration work programs. We have a Memorandum of Understanding (MoU) with the LPA outlining our expected standard of behaviour and use of force expectations. The LPA escorts the mass transit of PanAust personnel to and from site with Loss Prevention Officers and local police. LPA and Loss Prevention Officers are stationed at key access and strategic locations in the Contract Area to deter artisanal and small-scale mining (ASM) activities and protect our assets. LPA leaders are provided with mobile communications and ongoing food and water supplies. Loss Prevention Supervisors connect with these teams daily and provide oversight.

Each quarter a joint meeting is held with senior LPA Officials for an update on activities and to discuss any issues. Actions are tracked and the relationship continues to mature.

Prior to their deployment, members of the LPA are required to complete our induction program. This 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.

Our Loss Prevention Team perform unarmed access control, static security and emergency response functions at Phu Kham and Ban Houayxai. Team members complete training on the VPSHR and the appropriate use of force, and in 2023, 1126 LPA and Loss Prevention employees and contractors completed this training as part of their induction program.

SECURITY INCIDENTS

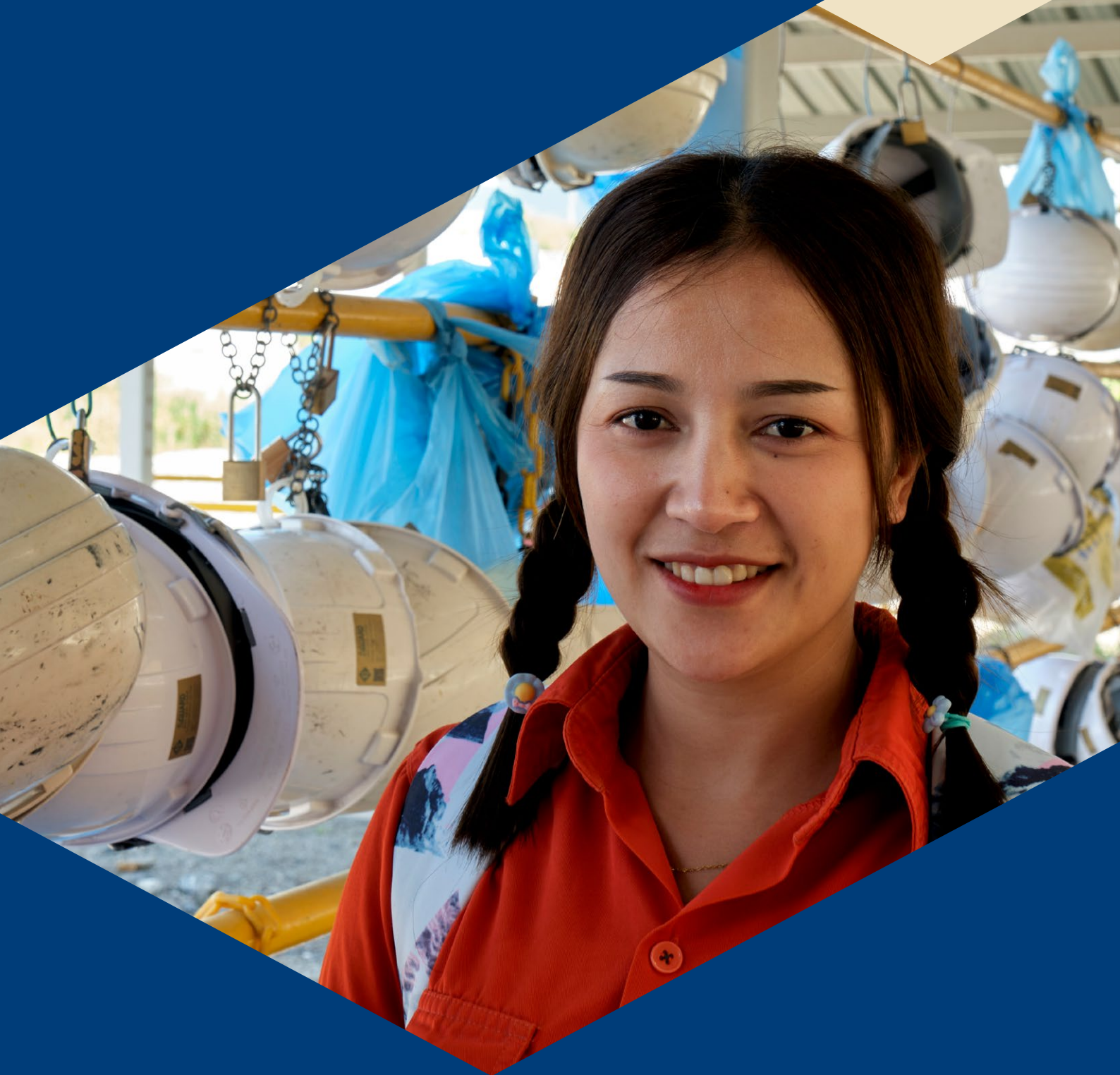
2023 saw an increase in reported security incidents in Laos, influenced by the rising cost of living and significant inflation of the Lao Kip in relation to the US dollar. Whilst these events are not significant, drone security patrols are being introduced to help identify potential security breaches and further reduce security related incidents. At the corporate level, there was one potentially significant security incident related to a cyber breach of PanAust's domain by an external party. This incident caused disruption to many key services, including corporate email. Once the incident had commenced, the Information Technology team's ability to respond technically was reasonable. As a result, further expert resources have been recruited, and the Information Technology team re-structured to provide capability to better manage and respond to threats of this nature.

SECURITY INITIATIVES

Key security initiatives undertaken in 2023 included:

- Risk assessment and change management for remote travel and security escort procedures.
- With no reported significant security incidents for the last four years, removal of armed security escorts for routine day time travel. These included travel between Phu Kham and the Long Chien Track and Nam Ve Exploration Bases and for the Community Relations Team working closely with the government at Xaysomboun. The absence of security incidents is believed to be due to socio-economic development.
- A MEPA (Contract Area) surveillance team for monitoring and reporting, led by a Loss Prevention Superintendent and based on the PanAust Laos Artisanal Mining Strategy. Allocation of additional personnel and vehicles were allocated to support the surveillance team and establishment of LPA and Loss Prevention Officers bases at key ASM locations.
- Close working relationships between our Phonsavanh surveillance team, the Provincial Government, Ministry of Public Security and Government Relations and Community Relations Teams at our Laos Operations to mitigate risks from illegal mining at Ban Choy.
- Delay of the Ban Houayxai electronic security upgrade until 2024/25 to allow a complete fit-for-purpose design scope ensuring delivery of the required services for the life of mine.
- Successful completion of quarterly internal gold room audits without any serious concerns highlighted.
- Update of the Security and Human Rights risk assessment for PanAust Laos Operations using the PanAust Voluntary Principles Risk Assessment tool. Whilst there is still an elevated risk of conflict in the region from banditry and legacy insurgent groups from the civil war era, there is also elevated risk relating to community expectations that socio-economic issues in the region will be fixed.

OUR PEOPLE



HUMAN CAPITAL

MATERIAL ISSUES

WORKPLACE CULTURE

An enjoyable workplace is provided, where people are trusted and empowered to make decisions. Diverse and inclusive workplace is established, where sexual harassment (a known issue in the mining sector) is

not tolerated. Good working conditions are in place, including employment terms and conditions, continuity of employment, labour rights, freedom of association and collective bargaining.

KEY METRICS

Metric	2023	2022	2021	2020	Performance compared to 2022
Per centage of Lao nationals hired from adjacent villages	17	19	21	22	Decreased
Per centage of Lao nationals	92.3	92.7	92.4	92.6	Stable
Per centage females in PanAust workforce	19.9	19.3	19.8	19.7	Stable

OUR STAKEHOLDERS TOLD US...



CULTURE DRIVES OPERATIONS AND BEATS STRATEGY EVERY DAY OF THE WEEK.

Capital markets stakeholder

INTRODUCTION

A strong workplace culture is the best foundation

It is a cliché, but people are your greatest asset in any industry, including mining. At our operations in Laos, achieving the right mix of expat and local culture adds to the challenge of securing the right people to work on site. With multiple nationalities employed across our business, treatment equality is increasingly important. We started to explore this in our Brisbane head office in 2023 with a psychosocial review.

Staff development contributes not only to building the best team, but also to our retention of good people. We know that skill development and career progression motivate people, improve their productivity and make them stay. Hence, we are proud of the programs we have in place to develop our junior staff in Laos, where we effectively build local capacity, but we know our work at more senior levels could be improved.

There has also been a historical disconnect between the management and operational teams in Laos, which would benefit from further work.

In this chapter, we start with data on our workforce breakdown, diversity and training. Workplace culture then features as our material issue, including the processes in place to build diversity, including in relation to gender. Organisational capacity, training and development are included include for continuity in reporting year-on-year. Progress with our training programs is provided, including apprenticeship and supervisory training and staff development programs.

WORKFORCE BREAKDOWN DATA

EMPLOYEES BY WORK LOCATION AT 31 DECEMBER 2023

Region	Total workforce	Total employees	Full time		Part time		Permanent		Fixed term		Casual	Total Contractors
			Male	Female	Male	Female	Male	Female	Male	Female		
Australia	45	39	25	14	0	0	21	13	4	1	-	6
Laos	5,883	3,983	3,135	848	0	0	2,993	785	142	63	335	1,565
Myanmar	9	7	3	4	0	0	0	0	3	4	-	2
Papua New Guinea	37	30	24	6	0	0	20	5	4	1	-	7
Thailand	25	25	17	8	0	0	9	7	8	1	-	-
Vietnam	2	2	1	1	0	0	1	1	0	0	-	-
Chile	1	-	-	-	-	-	-	-	-	-	-	1
Total	6,002	4,086	3,205	881	-	-	3,044	811	161	70	335	1,581

NEW EMPLOYEE HIRES AT 31 DECEMBER 2023

	Total	per cent	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	19	0.43	11	8	1	1	7	5	3	2
Laos	414	9.36	307	107	180	92	111	14	16	1
Myanmar	0	0.00	0	0	0	0	0	0	0	0
Papua New Guinea	7	0.16	4	3	0	2	2	1	2	0
Thailand	2	0.05	2	0	1	0	0	0	1	0
Vietnam	0	0.00	0	0	0	0	0	0	0	0
Total Group Employees new hires	442	10.00	324	118	182	95	120	20	22	3
Total Group Employee hiring rate (per cent)	11.25	-	12.50	10.86	6.61	9.26	5.44	1.48	0.46	0.12

NEW EMPLOYEE TURNOVER AT 31 DECEMBER 2023

	Total per cent		Gender		Age group >30		Age group 30 - 49		Age group 50 and over	
			Male	Female	Male	Female	Male	Female	Male	Female
Employee Turnover										
Australia	10	0.23	6	4	0	0	5	2	1	2
Laos	237	5.36	192	45	42	21	132	21	18	3
Myanmar	2	0.05	2	0	0	0	2	0	0	0
PNG	5	0.11	3	2	0	0	2	1	1	1
Thailand	5	0.11	3	2	0	2	2	0	1	0
Vietnam	0	0.00	0	0	0	0	0	0	0	0
Total Group Employee turnover*	249	5.63	200	49	42	23	138	22	20	4
Employee turnover rate (per cent)	5.63	-	6.24	5.56	1.31	2.61	4.31	2.50	0.62	0.45

* Includes voluntary and involuntary turnover

BREAKDOWN OF EMPLOYEE SOURCE BY ROLE CATEGORY (PHU BIA MINING) 2023

	Expatriates (per cent)	Total Lao (per cent)
Executives	100	0
Management	64	36
Supervisory/professional	13	87
Experienced/Qualified Skilled Labour	1	99
Skilled Labour	0	100
Semi-Skilled Labour	0	100
Unskilled Labour	0	100
Total	7.7	92.3

LAO NATIONAL EMPLOYEES IN SENIOR ROLES

	2020	2021	2022	2023
Number of Lao-national employees in management positions: Stratum 2 and 3	61	75	79	82
Number of Lao-national employees in supervisory/ professional positions: Stratum 1E and 1F	733	786	854	917

WORKFORCE DIVERSITY DATA

WORKFORCE GENDER DIVERSITY

PanAust Group	2020	2021	2022	2023
Full-time employees (permanent, fixed term)	3,644	3,648	3,882	4,086
Women	745	770	810	881
Women as a percentage of the PanAust workforce	20.4	21.1	20.9	21.6

Phu Bia Mining	2020	2021	2022	2023
Full-time employees (permanent, fixed term)	3,535	3,544	3,788	3,983
Women	713	739	784	848
Women as a percentage of the Phu Bia Mining workforce	20.2	20.8	20.7	21.3

Frieda River Project	2020	2021	2022	2023
Full-time employees (permanent, fixed term)	27	26	27	30
Women	6	6	5	6
Women as a percentage of the Frieda River Project workforce	22.2	23.1	18.5	20



WORKPLACE CULTURE

OUR APPROACH

WORKPLACE DIVERSITY

PanAust recognises the value that a diverse workforce brings to the organisation, understanding that varied perspectives and experiences contribute to business improvement and drive success. The company is committed to developing an inclusive environment where all employees are treated equitably, encouraged to showcase their talents and rewarded based on merit. Workplace diversity is actively promoted through PanAust's the Employee Policy and the Diversity Standard, both of which are accessible to employees on our intranet and externally on our website. These policies are introduced to new employees during their induction, while The PanAust Way reinforces the behavioural expectations that support diversity in the workplace. Emphasis is placed on gender diversity, aligning with PanAust's strategic objectives and compliance with host-country legislation.

GENDER DIVERSITY

At the end of 2023, the PanAust Group employed a total permanent and fixed-term workforce of 4,086 people, 881 of whom were women, representing 21.6 per cent. This included 38 women in management roles, accounting for 15 per cent of all management positions across the company. Phu Bia Mining maintained a strong focus on gender diversity and the professional advancement of female staff throughout 2023. The Lao-based workforce totalled 3,983 employees, with 848 roles held by women (21.3 per cent), a slight increase from 2021 and 2022. Of these 848 women, 30 held management positions and 177 supervisory or professional roles.

PanAust regularly analyses the proportion of women in different job categories, particularly those typically under-represented by women, such as mining operator and technical maintenance positions. In 2023, Phu Bia Mining employed 232 women in these roles, making up 23 per cent of the total workforce in this job categories. In addition, 12 women were employed as trainees or apprentices, representing 30 per cent of the roles in this category.

WORKFORCE LOCALISATION AND REGIONALISATION

PanAust's localisation strategy is supported by targeted training and development programs designed to equip Lao-national employees with the skills and competencies necessary to meet operational standards. It is integral to the company's annual workforce planning process, forecasting staffing needs and identifying expatriate positions that can be localised.

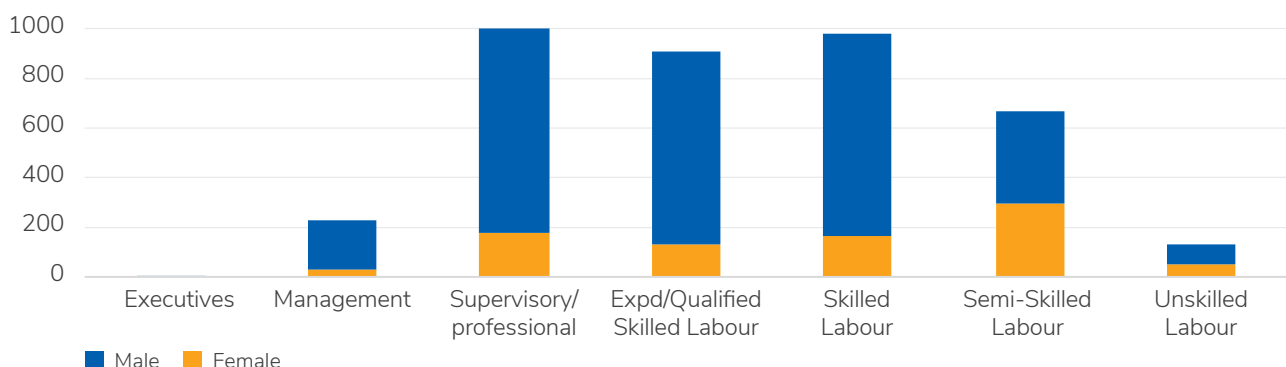
In 2023, the localisation rate in Laos remained just over 92 per cent, maintaining the highest level ever reported by the Company, reflecting the effectiveness of our systems and programs. While PanAust continues to pursue increased localisation, further progress is expected to be challenging due to the highly specialised nature of the remaining non-localised roles.

The company has also seen consistent year-on-year improvements in the number of Lao-national employees occupying supervisory, professional and management positions. In 2023, the Company maintained its focus on transitioning professional, leadership and management roles to Lao employees, with a total of 515 Lao-national employees promoted. Notably, 89 were promoted to senior technical or team leadership roles, 7 were promoted to superintendent level and one to manager level.

At the Frieda River Project, all roles continue to be filled by Papua New Guinea-national employees.

Since 2015, PanAust has met or exceeded its operational and sustainability targets despite a steadily decreasing expatriate workforce. This reinforces the effectiveness of our employee development programs and gives confidence that similar results can be achieved in new jurisdictions.

2023 BREAKDOWN OF PHU BIA MINING EMPLOYEES BY GENDER



ORGANISATIONAL CAPACITY, TRAINING AND DEVELOPMENT

TRAINING DATA

2023 TRAINING BY TYPE

Training type	Hours delivered
Clerical and general work skills	29,818
High risk work, mining, processing and mobile maintenance skills	69,453
Inductions and health, safety and environment	42,250
Leadership development	14,866
Professional and technical skills	9,966
Trades and engineering skills	38,266
Total hours of training	204,619

OUR APPROACH

Organisational capacity, training and development are key to attracting and retaining the right people for operational success and business growth. PanAust provides training in technical skills, such as underground mining in Laos and soft skills, such as communication and effective management, ensuring employees are well-rounded and equipped to meet company needs.

TRAINING AND DEVELOPMENT

PanAust's training and development programs are aligned with the company's long-term goals and diversity objectives. These programs serve as vital mechanisms to attract, engage, develop and retain employees, supporting their career progression and aligning with the company's strategic objectives.

EMPLOYEE COMPETENCY TRAINING

A key component of PanAust's commitment to continuous improvement is the employee competency training program. This mandatory program ensures employees acquire the necessary technical, leadership, role-specific and health and safety skills to perform their duties safely and effectively. Increasingly, training is delivered online, allowing employees to complete tailored modules at their own pace. This shift has reduced the need for offsite training sessions, saving time and resources, while improving accessibility. The company monitors and reports on completion rates to ensure full compliance.

In 2023, a total of 204,619 training hours were delivered, up from 179,515 hours in 2022, representing an average of 46 hours per employee.

ANNUAL EMPLOYEE DEVELOPMENT PLAN

An integral part of the development strategy is the annual employee performance review process, which ensures that our people have clear, actionable performance goals.

At the start of each year, managers and employees collaborate to establish these goals, with periodic reviews throughout the year. As part of the individual performance review process employees can set a development plan with their manager. A final evaluation score is given at year-end, which directly influences short-term incentive bonuses and annual salary reviews, ensuring alignment between individual performance and company objectives.



SUPERVISORY SKILLS TRAINING PROGRAM

PanAust has established programs to develop an internal talent pipeline to support future growth and build a sustainable workforce. Throughout 2023, 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. This 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 Lao, comprises 10 modules, 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 2024, a graduation and recognition ceremony was held for more than 161 graduates from 2023. Most of these graduates were PanAust employees, with 37 of them female. Some contractors and port operations personnel also graduated. Inviting and encouraging Lao-national women to participate in this Program continues to be a priority for the business, and, since its inception, more than 240 women have graduated.

ACCELERATED TRADES TRAINING APPRENTICESHIP PROGRAM

In 2023, the Company completed its first accelerated pathway Trades Training Apprenticeship Program in Laos. This Program was 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 Program was to have new tradespeople available for the Company prior to mine closure. Apprentices were 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.

41 Apprentices graduated from this Program in November 2023, including 18 female apprentices. They each received an Australian Technical and Further Education (TAFE) Certificate III trade qualification in their chosen discipline, a Lao Higher Diploma of Technical Trade Studies and a Certificate of Technical English. In December 2023, the company commenced its second intake for this Program, a new group of young Lao tradespeople who will now be trained for 3 years, from 2024 to 2026. 32 apprentices were selected, including 2 from the company's Drilling Services Contractor, Boart Longyear. This cohort will be trained in the same 5 trade vocations of Metal Fabrication and Welding, Fitting and Machining, Electrical, Automotive Electrical and Commercial Road Transport Automotive Mechanical. Since the inception of the Apprenticeship Program in 2013, a total of 125 apprentices have graduated, with a further 32 currently in training.





GOVERNANCE AND RISK

MATERIAL ISSUES

BUSINESS CONDUCT AND COMPLIANCE

Business ethics and transparency are upheld, including payments to governments and Extractive Industries Transparency Initiative (EITI) expectations. Bribery and corruption are not tolerated, and community human rights are protected.

Sustainability governance is structured for best practice, including risk management. Political and regulatory change is navigated and compliance with national, regional and local legislation, regulations and policy is ensured.

KEY METRICS

Metric	2023	2022	2021	2020	Performance compared to 2022
Total monetary fines or non-monetary sanctions for regulatory compliance violations (US\$)	70	0	0	0	Increased
Whistle blower reports	2	1	0	0	100 per cent increase
Crisis management / Significant Incident Management Taskforce drills	3	1	1	0	200 per cent increase

OUR STAKEHOLDERS TOLD US...



BANKS HAVE INCREASINGLY STRICT REQUIREMENTS IN AREAS SUCH AS CHILD AND SLAVE LABOUR BEFORE THEY PROVIDE FINANCE. PANAUST, LIKE OTHER COMPANIES OPERATING INTERNATIONALLY, MUST DEMONSTRATE COMPLIANCE.

Andrew Briscoe, Head of Australian Operations, MRI Trading Resources (customer)

INTRODUCTION

It is imperative to maintain strong business ethics and be transparent

The importance of strong business conduct has increased in recent years, along with the need to be more transparent. Banks require strict conditions to be met before lines of credit are granted. We can no longer focus solely on our own processes; we are expected to extend this out to our supply chain. Having an ethical supply chain is seen as something we can influence and achieve with robust processes across the regions in which we operate. Only then can we ensure transparent, responsible and ethical sourcing. That said, building a better understanding of supply chain risk helps with forecasting, which in turn helps our suppliers with their own planning.

In this chapter, we start with business conduct and compliance, one of our material issues, followed by ethical supply chain for continuity in reporting. We also run through our approach to risk management, auditing and benchmarking and lay out our governance structure. A case study on the audits undertaken in Laos of our integrated and safety management systems rounds things out, bringing our approach to governance to life.

BUSINESS CONDUCT AND COMPLIANCE

OUR APPROACH

BUSINESS CONDUCT

The way PanAust conducts business is key to our social licence to operate in our host countries and communities. PanAust's Vision and Values and The PanAust Way (our code of conduct) guide the business to operate legally, ethically and with integrity and respect. Provided in both English and Lao, they apply to all employees, directors and business partners, including contractors, consultants, suppliers and service providers. The PanAust Way includes sections on workplace behaviour, operating with integrity, communicating externally and managing sustainability. We also have controls and procedures in place, including senior management led internal reviews and external audits and reviews, to monitor the misappropriation of funds, bribery and corruption and other code of conduct issues. No breaches were identified in 2023.

In a review of corporate governance practices in 2023, a lack of a clear delegation of authority was identified from the Board to the CEO and Managing Director and Management Team. In addition, there were no Board or CEO and Management Team Charters and no clear requirements for collective decision making. The following decision-making structure with full accountability to the Board and shareholder was introduced to address these findings:

The updated Constitution, Board Charter and Shareholder Decision Making Requirements documents outline key decision-making powers and activities reserved for the Board and those delegated to the CEO and Managing Director. These documents informed a new CEO Management Team Charter and updated Delegations of Authority document outlining authorities delegated to the Management Team. These new and updated documents were approved by the Board via circular resolution in April 2023. A PanAust Organisational Accountabilities document was also developed to outline the purpose and accountabilities of each Group Business Unit and Function.

A more transparent and structured governance framework has been achieved as a result, which includes management committees providing oversight in the following areas:

- **CEO Operation Committee:** How the company is operating.
- **Enterprise Risk Committee:** Risk management activities across the company.
- **Governance Committee:** Development and implementation of policies and standards.
- **Investment, Contracts and Development Committee:** Investment decisions and capital expenditure.
- **Remuneration Committee:** Remuneration issues.

Body	Authority	Governance Mechanisms
PanAust Board	Responsible for strategy, major decisions and supervising management	Constitution Board Charter Shareholder Decision Making Requirements (SDMR)
CEO and Managing Director	Responsible for day-to-day management and operations	Board Charter SDMR
General Managers	Delegated decision-making powers	CEO Management Team Charter Delegations of Authority (DOA)



ANTI-BRIBERY AND CORRUPTION

Acts of corruption undermine the effectiveness and legitimacy of government institutions to the detriment of the public. Such acts are illegal and can impact PanAust's social licence to operate. We prohibit employees, directors and business partners from making or receiving bribes or corrupt payments and require complete transparency in all transactions.

The PanAust Way communicates our position in relation to anti-bribery and corruption, providing guidance for employees on gift giving and receiving, anti-competitive behaviour and compliance. It prohibits employees from making facilitation payments and is supported by a training package on relevant anti-bribery legislation and prohibited conduct.

Our specific anti-bribery and corruption standards and processes set out the standard of behaviour expected of directors and employees, as well as contractors, consultants, suppliers and service providers. During 2023, separate regional anti-bribery and corruption standards in place across PanAust were amalgamated into a single Group wide standard. A centralised online gifts register was also developed and the guiding principles and checklist for donation and sponsorship requests strengthened. We now have greater clarity on transparency, independence, integrity, risk, balance and purpose. Specific policies include:

- Employee, director and business partner compliance with the laws of the countries in which we operate. For example, it is an offence for Australian companies, citizens and residents to bribe foreign public officials (*Criminal Code Act 1995*).
- Not using third-party intermediaries to circumvent our strict prohibition of bribery and other corrupt payments.
- Active reduction of the use of cash across the business.
- Strict accounting and reporting processes for transparency on transactions.
- Business integrity screening software to improve the detection and prevention of anomalous payments.

THE WHISTLEBLOWER STANDARD AND SERVICE

PanAust's Whistleblower Standard and service allow for reporting of conduct contrary to The PanAust Way. Issues can be raised by mail, email, telephone, or online via panaust.com.au/whistleblower-service.

The service is available in English, Lao and Tok Pisin, with a translation service available for submissions in other languages online, by email, or voicemail. 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. Retaliatory action against anyone who raises a genuine concern or helps to address one is prohibited. In 2023, two reports on the same matter were received through the Whistleblower Service and investigated.

SPONSORSHIPS AND DONATIONS

We sponsor and donate to programs, organisations and causes aligned with PanAust's Vision and Values, building goodwill where we operate. PanAust's Sponsorship and Donation Committees prioritise projects based on the following criteria, with decisions reviewed by the Management Team:

- Located in countries in which we operate/are present.
- Of national importance and meaning.
- Result in benefits for people in the provinces/districts in which we operate/are present.
- Promote the culture, history, society and ethnic minorities representative of the areas in which we operate/are present.
- Support capacity-building in relevant government agencies.

Details of our sponsorships and donations in 2023 are provided on page 48 of this Report. In 2023, the PanAust Sponsorship and Donations Guideline was strengthened to provide greater clarity on transparency, independence, integrity, risk, balance and purpose.

ETHICAL SUPPLY CHAIN

OUR APPROACH

SUSTAINABILITY IN THE SUPPLY CHAIN

Building mutually beneficial relationships with suppliers and contractors creates a sense of shared value. The PanAust Way, our Procurement Policy and the Contractor Health Safety and Environment Management Standard, set minimum expectations for suppliers and contractors on safety, environment, community, human rights and operating with integrity. In 2018, we risk-profiled our top tier suppliers by expenditure, representing approximately 80 per cent of direct supplied goods. Each supplier was risk-ranked across categories such as safety, environment, compliance and anti-bribery and corruption. Within the top tier of our supply chain, it became clear that we engage reputable organisations. Their systems and in-country legal obligations reduce the need for us to further influence their performance.

In 2023, we assessed the risk of modern slavery in our supply chain using the 2022 Global Estimates of Modern Slavery: Forced Labour and Forced Marriage Report, Global Slavery Index 2023 Report and the 2023 Trafficking in Persons Report. We found that 92 per cent of our annual spend involved vendors in Tier 1 and 2 countries. These are countries whose governments either meet the minimum standards for the elimination of trafficking in full or are making significant efforts to bring themselves into compliance. We also sent a modern slavery risk assessment questionnaire to vendors making up the top 50 per cent of our annual spend plus some vendors in Tier 3 countries. We found that 75 per cent of them still need to improve their response when modern slavery is detected and 50 per cent need to improve their employment and training processes in this space.

PanAust procures goods and services locally where practical, based on commercial competitiveness, risk profile and contractor/supplier capacity. This support of local businesses results in direct and indirect benefits for host communities and regional economies in Laos (see page 46 to 47) and Papua New Guinea (PNG). In 2023, 48 per cent of all goods and services we purchased were in Laos. Furthermore, 82 per cent of goods and services were purchased regionally, in Laos, China, Thailand, Singapore and Vietnam. For the Frieda River Project, 87 per cent of goods and services were sourced from suppliers in Papua New Guinea, resulting in expenditure of US\$2.7 million.

PRODUCT STEWARDSHIP

In Laos, PanAust produces copper concentrate sold 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, namely copper cathode or refined precious metals. When a direct sales contract is placed with a new customer, a trader or smelter, due diligence is conducted to provide assurance on that customer's reputation, financial capability and legal and business structure. Contracts are subject to PanAust's standard terms and conditions, and all sales are secured by pre-payment or letter of credit.

Our approach to product stewardship focuses on the storage and transport of concentrate from our mine site gate to the port to meet customer specifications and in-country requirements. PanAust owns and operates its own road transport fleet for concentrate movement in Laos and Vietnam. Global positioning system tracking is used, alongside 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' based on average arsenic levels. Product metal specifications are incorporated into contract terms and conditions with international customers. We complied with agreed contract specifications for product shipments in 2023. All trace elements, including arsenic, complied with destination country maximum limits. One customer complaint was received that related to the small size of the Rotary Sample Divider (RSD) used at Sriracha Port for concentrate sampling. This followed a May 2023 audit report that the customer commissioned of the Port facility. The report recommended the purchase of a larger RSD to handle the 2kg samples. The RSD was in place by September 2023.

RISK MANAGEMENT

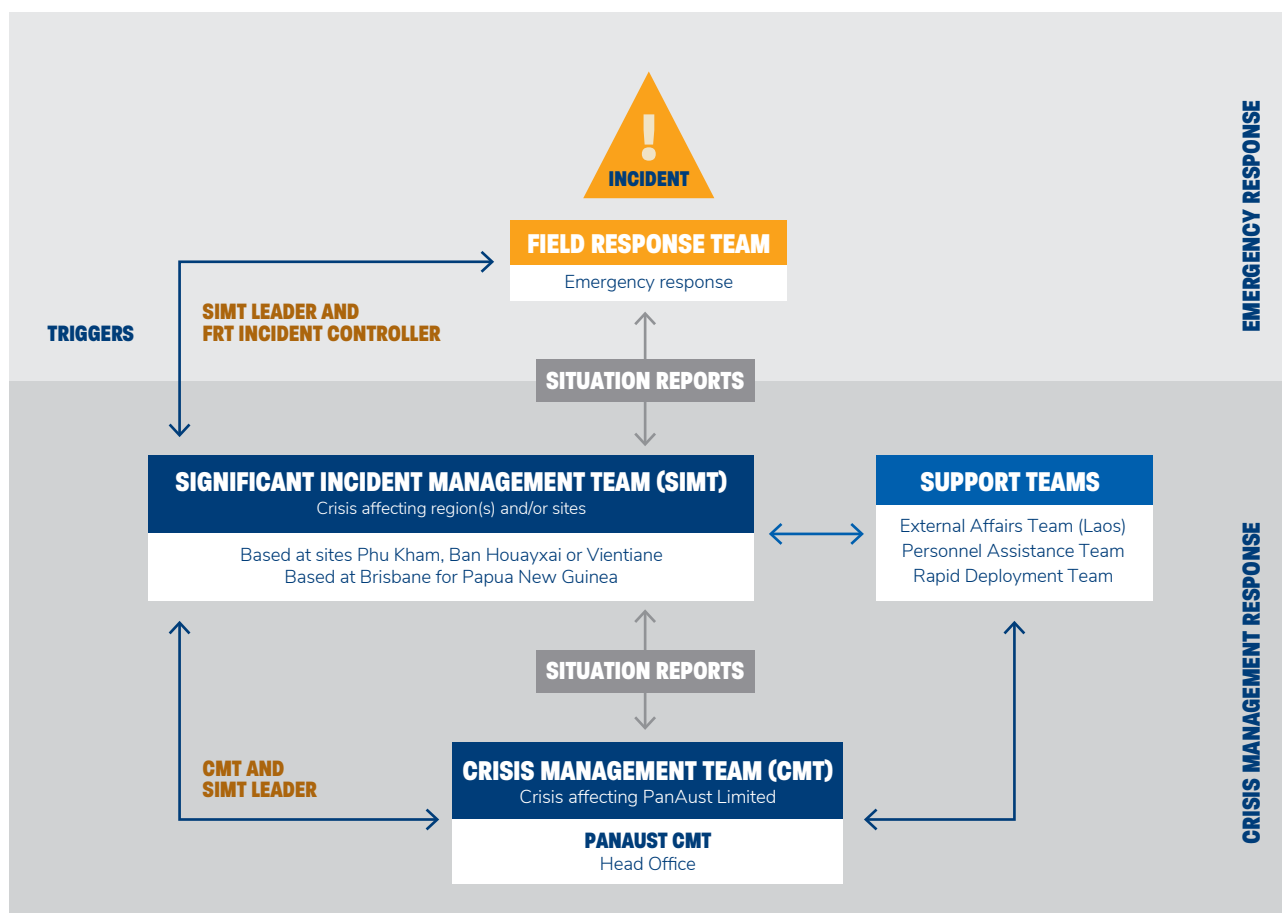
OUR APPROACH

Identifying and managing risk improves profitability, safeguards the business and creates long-term value for stakeholders. We proactively identify, evaluate, prioritise and manage risks, keeping our risk registers current. By fostering a risk-aware corporate culture, we ensure that materiality and risk tolerance are considered in business decisions. Our risk management framework informs business cases for growth projects and entry into new jurisdictions. Risk assessments and management plans are developed to address potential reputational, legal, business, regulatory and political exposures and embed mitigation into business strategies and plans.

CRISIS MANAGEMENT FRAMEWORK

PanAust's crisis management structure enables appropriate incident response to unplanned events across operations in diverse geographies, using a three-level response framework:

- **Incidents:** Events that have/could result in adverse consequences for PanAust. The Field Response Teams at PanAust sites provide the first physical response.
- **Emergency:** Incidents with the potential to be outside the range of normal operations, requiring actions beyond the everyday to contain or control them. A Significant Incident Management Team (SIMT) is established for incidents beyond site capabilities or boundaries, for crisis management to host country or regional requirements.
- **Crisis:** Events with the potential to impact the underlying value of the Company. The Crisis Management Team (CMT) is formed in Brisbane to support the SIMT and work specifically on material business aspects.

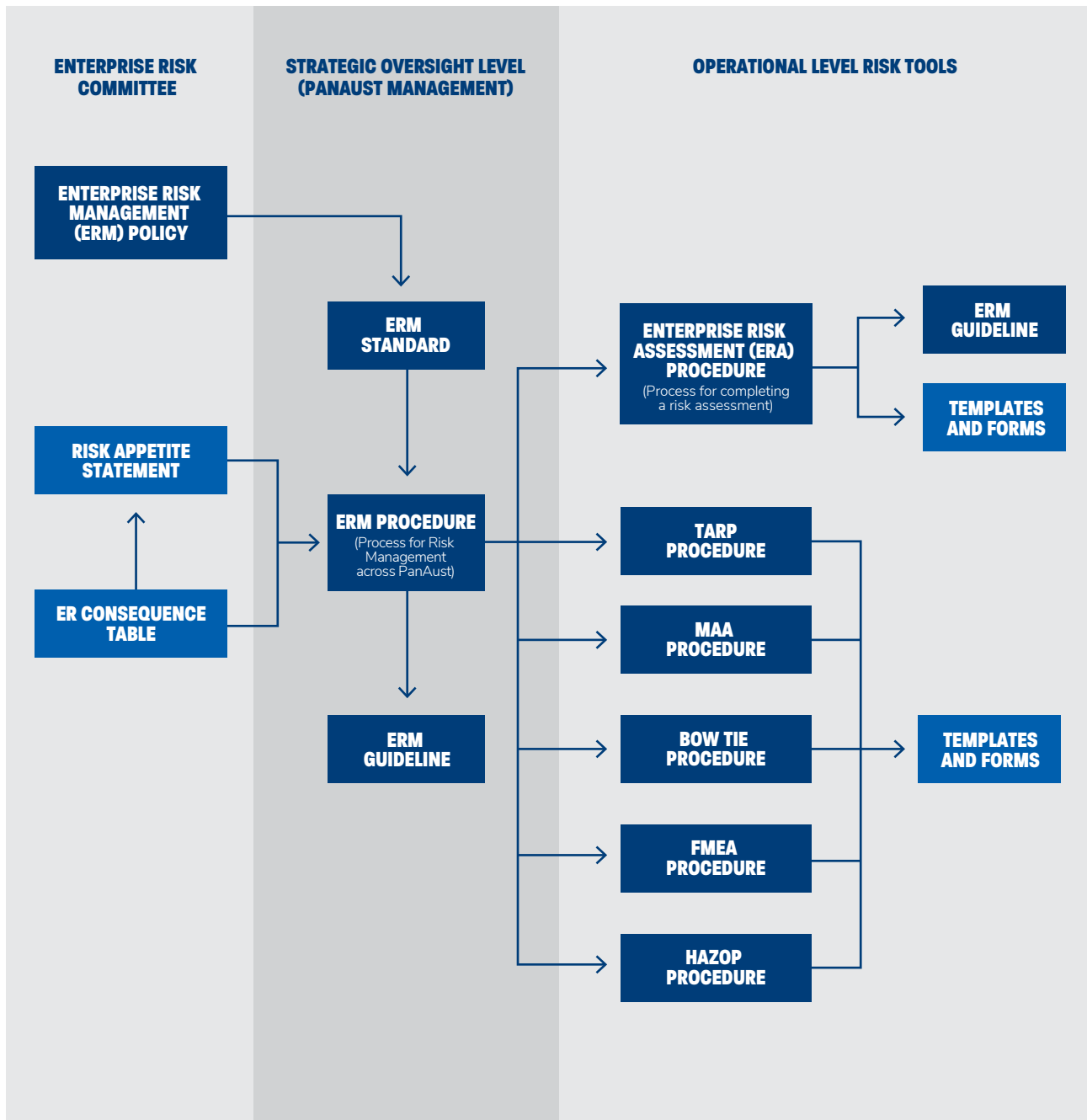


RISK MANAGEMENT POLICIES, FRAMEWORK AND PROCESSES

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 last updated in mid-2022 and is supported by the ERM Standard. In 2023, we continued to focus on the integration of risk management into business processes, projects under evaluation and planning for closure infrastructure.

This ERM Policy, System and Standard make up our ERM Framework, which is aligned with:

- ISO 31000: International Organisation for Standardisation's Standard on Risk Management.
- PanAust Sustainability Standard 4: Risk and Change Management.
- Principle 15 of the Rio Declaration:⁸ The Precautionary Principle.



⁸ 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.

The PanAust ERM System is based on a “three lines of defence” model:

1. **Operational level:** Risk assessments and control measure implementation.
2. **Corporate level:** Oversight, including ERM Framework development and assurance of operational level activities.
3. **Independent assurance:** To verify that the first two lines are operating effectively.

The Management Team is responsible for ensuring that risk management systems and internal controls are in place, issues are reported to the Board as they arise, and regular risk reporting is in place. An ERM Committee was established in 2023 to provide oversight, guidance and support for the “three lines of defence”, approve risk appetite statements and the risk consequence matrix and undertake risk governance.

The Management Team carefully considers the level of risk it is prepared to tolerate and documents this in risk tolerance statements for each risk category. It then guides corporate risk strategy, provides oversight of strategic issues, is accountable for implementing the ERM Framework, and for monitoring effective implementation.

The Management Team is also responsible for a high-level risk register of material business risks 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 plans in place to address significant risks.

There is 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, with a rating scale of 1 to 9, where 9 is the highest consequence level:

- 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?

24 active Group-level risks were identified in 2023 with one from 2022 closed out through elimination. Non-financial risks are addressed in detail in this Report, whereas financial risks are outlined in our Annual Report, submitted annually to Australian Securities and Investment Commission (ASIC) to meet our regulatory reporting obligations. In 2023, implementation of a cloud-based ERM System commenced, for real time visibility of risks and controls across the Company. It is expected to be completed in 2024.

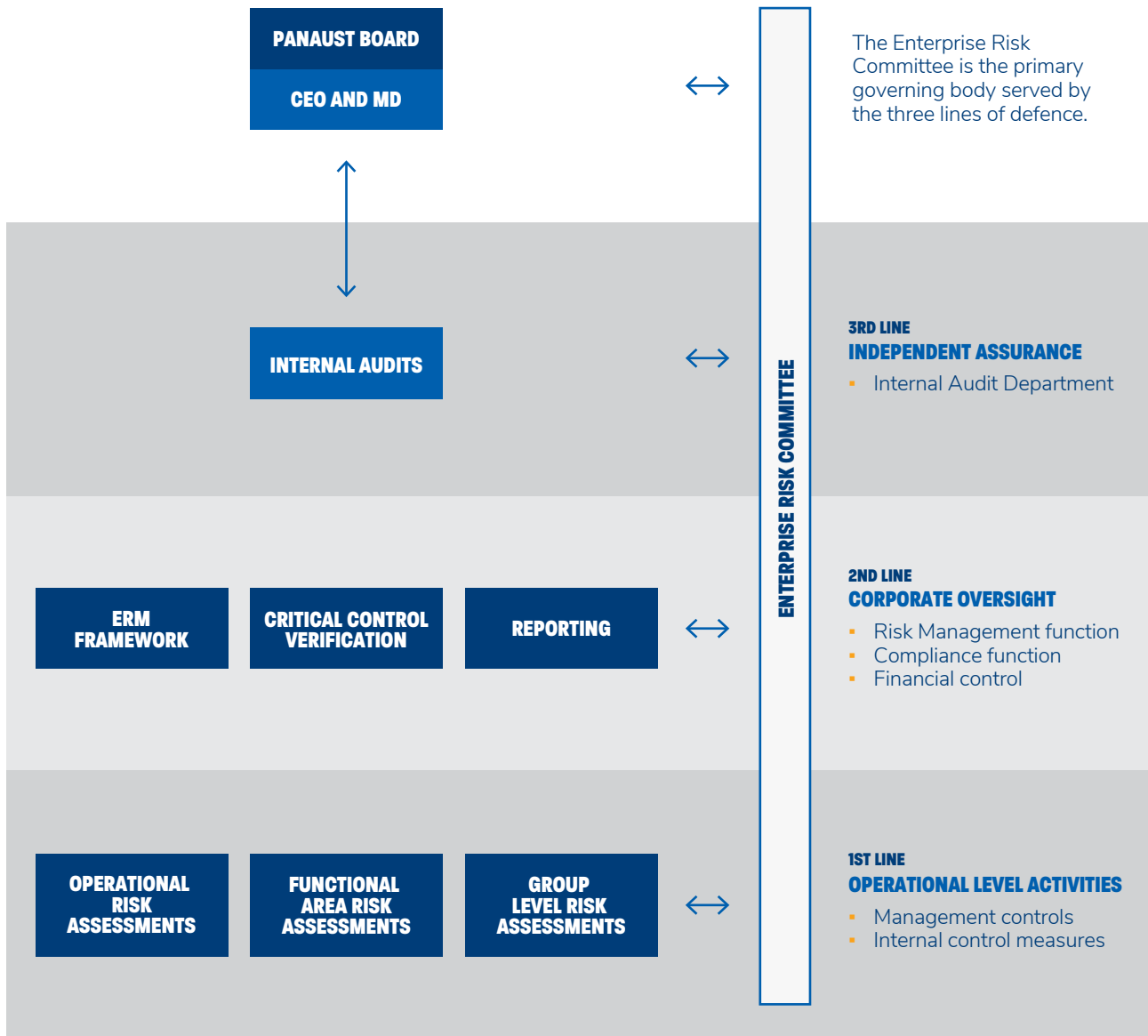
For high-risk activities, such as tailings dams, open-pit slope stability and closure management, specialist governance structures mirror the ERM System:

- Operational teams carry out day-to-day risk mitigation activities.
- Internal review committee provides oversight and support for operational teams.
- External independent review committee reviews operational practices and reports any findings to the Board via the Management Team.



ENTERPRISE RISK MANAGEMENT SYSTEM

3 LINES OF DEFENCE MODEL





PANAUST INTEGRATED MANAGEMENT SYSTEM STANDARDS

The 20 PanAust Group Integrated Management System Standards (PanAust IMS Standards) listed below align with leading international practice. They support the achievement of PanAust's Vision and Values, The PanAust Way and the Sustainability Policy. They also comply with our legal obligations, including project environmental and social impact assessments. Employees and contractors are obliged to operate to these IMS Standards, which establish the following:

- Minimum sustainability performance requirements for our entities, operations, sites and activities.
- Auditable criteria which can be measured.
- A basis for continuous improvement.

Sustainability in this context means adopting strategies and activities that meet the needs of the Company and its stakeholders today while protecting, sustaining and enhancing human and natural resources needed for the future.

LEADERSHIP AND PARTICIPATION

- **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

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

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

PERFORMANCE EVALUATION

- **PanAust IMS 17**–Monitoring and Evaluation
- **PanAust IMS 18**–Internal Audit

IMPROVEMENT

- **PanAust IMS 19**–Incident Response and Actions
- **PanAust IMS 20**–Management Review

Our operational performance is regularly assessed against these IMS Standards. In 2023, an external audit was undertaken in Laos, also covering the Group Safety Standards, as outlined in the case study below. Laos safety standards were elevated to Group level in 2023.



CASE STUDY

INTEGRATED AND SAFETY MANAGEMENT SYSTEM AUDITS

Interview with Mark Stirling, Risk Manager—Laos

What is an IMS and an SMS?

“Acronyms abound in the world of management systems! An IMS is an integrated management system. It combines different management systems into a single, comprehensive and harmonised system. In our case, this includes ISO 31000 for Risk Management, ISO 45001 for Occupational Health and Safety Management Systems, ISO 14001 for Environmental Management Systems and ISO 26000 for Social Responsibility. The SMS, or Safety Management System, is part of our IMS.”

Are there any benefits of an IMS?

“The main benefit is effective risk management and minimising impacts on the business, our people, assets, products, information and reputation. It also reduces duplication and errors, ultimately driving continuous improvement.”

Why do these management systems need to be audited?

“To check they are being implemented effectively and staying current with industry practice. We need to check that processes, procedures, standards and rules, are maintained, improved and implemented to the right standard. Otherwise, complacency may set in, and compliance can slip.”

Who did the audits and how?

“External consultants undertook the audits, and we had to provide the usual supporting evidence. They focused on the requirements in our safety and IMS standards.”

What were the main findings?

Our high-risk work training and assessment process emerged as an area for improvement, in particular the effectiveness of refresher training versus ongoing verification of the competence of our people to conduct these high-risk work activities. Some inconsistencies were also identified in our application of safety systems across the business. The recently developed Lao Health and Safety Management System (HSMS) Manual will help to address this. Internal audit of the application of this HSMS Manual will then help ensure compliance with the requirements. Effective tracking and close out of incident actions was another area highlighted for attention, relating to the weekly report across Lao operational departments.”

Was any good practice identified?

“Lots of good stuff was highlighted, including visible leadership across our operations and a commitment to safety from superintendents and managers. Incident management was strong, including how well our people understand the incident management process, their application of risk assessment to incidents and the communication of key lessons learnt from incidents to the workforce and contractors.”

What's next?

“As with all audits, we have some actions to address, including safety leadership training for supervisors to better understand their duties and drive safety leadership across the business. Rolling out the HSMS Manual and Risk Department SharePoint will also be important for our workforce to understand and apply the IMS effectively. Last, but not least, CAMMS will be central to ensuring that corrective actions from incidents and risk assessments are reviewed, tracked and closed out.”

GOVERNANCE STRUCTURE

OUR APPROACH

PanAust transitioned from a listed public company in 2015 to a subsidiary of Guangdong Rising Holding Group Co. Ltd (GRHG). Good practice corporate governance frameworks, systems and standards were retained, underpinned by PanAust's Vision and 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 2023 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

Profiles of current Board members are provided on our website: panaust.com.au/our-people/#boardofdirectors

The Board and Management Team are responsible for ensuring effective measures, systems and controls are in place to manage sustainability issues and incidents with potential material strategic, business and reputational implications for the Group and its stakeholders. PanAust reports in accordance with the Global Reporting Initiative (GRI) Universal Standards.

REMUNERATION STRATEGY

Employee remuneration promotes a performance-based culture. Remuneration, benefits and rewards are aligned with PanAust's strategy, plans and objectives, with merit the foundation of performance-based pay and career progression. Remuneration is linked to quantitative lead and lag targets against which sustainability performance is measured across the organisation. These targets reinforce sustainability performance as a key component of our culture, with Management Team members evaluated against their position descriptions which include sustainability performance.

EXTERNAL STANDARDS, PRINCIPLES AND GUIDELINES

PanAust measures its sustainability performance against the following international standards, principles and guidelines, commissioning periodic independent audits:

- International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability (applied to operating assets): [ifc.org](https://www.ifc.org)
- Minerals Council of Australia (MCA) Enduring Value⁹, aligned with the International Council on Mining and Metals (ICMM) Sustainable Development Framework Principles: [minerals.org.au](https://www.minerals.org.au), [icmm.com](https://www.icmm.com)
- ICMM Principles for Climate Change Policy Design: [icmm.com](https://www.icmm.com)
- International Cyanide Management Code (the Cyanide Code): A voluntary industry program administered by the International Cyanide Management Institute (ICMI) for the gold-mining industry promoting the responsible use of cyanide. PanAust has been a signatory to the Cyanide Code since 2011, when Ban Houayxai in Laos was certified. Certification of its logistics operations in Laos was achieved in 2022: [cyanidecode.org](https://www.cyanidecode.org)
- GRI Universal Standards: Involves reporting on topics material to the business, as determined via risk assessment and materiality determination: [globalreporting.org](https://www.globalreporting.org)
- 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 encouraging respect for human rights. PanAust has been a member company of the VPSHR since 2013: [voluntaryprinciples.org](https://www.voluntaryprinciples.org)

EXTERNAL RECOGNITION

We are proud of our operational and sustainability performance and have been recognised internationally with several awards: panaust.com.au/external-recognition

MAINTAINING A SUSTAINABILITY CULTURE

For PanAust, a successful and sustainable business is one where financial and non-financial outcomes are aligned and pursued together. We conduct our mining activities in a sustainable and ethical way with consideration for the broader social and environmental impacts on the communities in which we operate.

PanAust's Vision and Values, The PanAust Way and the Sustainability Policy outline our commitment to sustainable performance. This includes improving health and safety, recognising and respecting the 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 Sustainability Policy is available to employees on our intranet in English, Lao, Tok Pisin, Vietnamese and Thai languages. The Policy was reviewed in 2023 against the ICMM Mining Principles and the MCA Enduring Values Principles. Updates related to sustainable development in decision making, proactive risk management, conservation of biodiversity, responsible production through recovery, re-use and recycling and transparent stakeholder engagement and reporting. These updates are expected to be approved by the PanAust Governance Committee in 2024.

Sustainability is implemented through visible leadership and people management, induction and ongoing training and awareness sessions. High-quality corporate governance standards, excellence in financial management, outstanding technical expertise and supportive processes and systems are also core to PanAust's approach. Sustainability performance is central to the Management Team's critical tasks, with the Group General Counsel responsible for risk management and sustainability across the Group, reporting directly to the Managing Director and CEO.

Since 2009, an annual workshop has been held with senior management, managers and sustainability support staff across the Group. This year, this took the form of a Safety Summit in June 2023. Major outcomes, presented in the breakout box below, focussed on the five strategic pillars of Operational Support, Process and Compliance, Communication and Engagement, People and Resources and Measures. The objective of the summit was to identify safety initiatives to deliver alignment with operational needs, establish processes to manage operational risks, enable proactive stakeholder engagement, ensure people are proficient and develop measures that drive improved performance. Outcomes from the workshop are integrated into the Group's Annual Risk Plan and individual sustainability achievement plans.

⁹ 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.

2023 SAFETY SUMMIT WORKSHOP OUTCOMES

The 2023 Safety Summit Workshop focussed on the strategic pillars of Operational Support, Process and Compliance, Communication and Engagement, People and Resources and Measures and delivered 13 strategy initiatives:

- Operational Support (3 Initiatives): Extension of safety management plans to cover underground mining requirements; Integration of the new underground contractor at Ban Houayxai into our safety culture; Review of the company document control system structure.
- Process and Compliance (2 Initiatives): Integration of risk reviews into key activities as a positive performance indicator; Review of our Cardinal Rules to incorporate high risk activities and behaviours for underground activities.
- Communication and Engagement (4 Initiatives): Visibility of Positive Performance Indicators (PPI) for the Management Team; Workforce education on event classification, near misses; Updated education on hazard identification; Updated education on the risk management process.
- People and Resources (3 Initiatives): Updated front line supervision competency requirements and training; Improvement of the front-line supervisor capability in incident reporting and management; Definition of safety related requirements and training for each level of management.
- Measures (1 Initiative): Review of the PPI program to drive expected behaviours.



AUDITING AND BENCHMARKING

PanAust's auditing and benchmarking program supports the Company's Enterprise Risk Management (ERM) Framework, including internal reviews and external audits on specialist topics.

2023 AUDITING AND BENCHMARKING PROGRAM

Audit type	2023 Audit scope and timing	External/Internal	Next audit
Economic performance			
Group financial audit	Completed in 2023 Disclosed in Annual Report to ASIC	■	2024
Insurance risk engineering survey	Completed in November 2023	■	2024
Social performance			
Lao socio-economic survey	Not completed in 2023 Deferred due to mine life extension	■	2025
Community Development Fund (CDF) review	Whole-of-life (2005–2022) review with host communities and Xaysomboun Province To establish a new MOU for the CDF program	■	One-off for new CDF MOU
Health, safety and security			
Technical safety audits for high-risk activities/hotspots	Completed in Laos and Papua New Guinea in 2023 Third-party audits of aviation service providers	■	2024
Contractor safety management compliance audits and reviews	5 contractor audits completed in Laos and Thailand Also completed compliance reviews, risk register reviews and inspections	■	2024
Security setting and management audits	Completed quarterly internal security audits	■	2024
Governance and risk management			
PanAust Integrated Management System (IMS) and Safety Management System (SMS) Standards audits	Completed IMS and SMS Standards audits in June 2023	■	2026

Audit type	2023 Audit scope and timing	External/Internal	Next audit
Environmental performance			
Acid rock drainage (ARD) audit	Completed in November 2023 Environmental Geochemistry International (EGI) Onsite environmental geochemistry audits at Phu Kham and Ban Houayxai		2024
Cyanide Code recertification	ICMI Certificate of Compliance for Ban Houayxai in May 2023, based on audits in 2022 ICMI Certificate of Compliance for Phu Bia Mining Logistics in March 2023, based on audits in 2022		2026
Tailings Independent Review Panel (TIRP)	TIRP site visits at Phu Kham and Ban Houayxai in May 2023		2024
Engineer of Record (EoR) tailings storage facility (TSF) construction inspections	Reviewed TSF performance Indicated good management for construction, operation, monitoring and corporate governance EoR site inspections at Phu Kham and Ban Houayxai in January, May and October 2023 Verified construction and operational performance		
Comprehensive Dam Safety Review (CDSR)	Delayed until the first half of 2024		2024
Annual Dam Safety Review (ADSR)	ADSR completed in September 2023 Indicated TSFs operating in line with design intent		
Open-pit geotechnical review	Internal geotechnical reviews at Phu Kham, Ban Houayxai in 2023		2024
Underground and surface works design review	Systems compliance with local legislation		
Geotechnical Independent Review Panel (GIRP)	Internal design reviews of proposed underground mining, including surface works for the mine portal Full GIRP site visit planned for 2024 Covering open pits, underground and hydrogeology		

COMPANY OWNERSHIP PROFILE

SUBSIDIARIES BELOW ARE MAIN OPERATING AND SERVICES COMPANIES

Name of entity	Place of incorporation	Class of shares	Equity holding* (per cent) 2023	Principal activities
Inca de Oro S.A.	Chile	Ordinary	66	Exploration
PanAust IDO 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
Saisana Lao SK Mining Co., Ltd	Laos	Ordinary	70	Services

*Holding and dormant companies not included in listing.

ASSURANCE STATEMENT



Independent Assurance Report to PanAust

Work Scope

Niboi Consulting was engaged by PanAust to provide independent limited assurance of PanAust's 2023 Business Review and Sustainability Report (the Report). The Report and the data that we have reviewed cover the 12 month period from January 2023 to December 2023. We adopted an assurance methodology that is consistent with ISAE 3000, *Assurance Engagements Other than Audits or Review of Historical Financial Information*, published by the International Auditing and Assurance Board.

Our work scope comprised review of data, documentation and report drafts provided by PanAust, site visits to the Phu Kham and Ban Houayxai operations and face-to-face interviews with relevant Pan Aust data owners. As part of our data and documentation review, we assessed original source evidence and reviewed the robustness of the data collation processes. This comprised interrogation of the evidence provided and re-performing selected calculations. Our review process has also evaluated the PanAust Global Reporting Initiative (GRI) Index for the subject matters that we assessed.

For our assurance we assessed data and documentation against criteria comprising statement reliability, relevance, clarity, balance and comparability as well as data accuracy.

We assessed the following subject matters during our review of the 2023 Report:

- *Health, Safety and Wellbeing performance*: working hours; fatalities; total recordable injuries and frequency rate; lost time injuries and frequency rate; safety training hours; security training; occupational illnesses
- *Social performance*: community relations; grievances; engagement processes; resettlement and compensation; community development programs; sponsorships; contributions; financial services
- *Environmental performance*: energy consumption; energy intensity; greenhouse gas (GHG) emission intensity; Scopes 1, 2 and 3 GHG emissions (reasonable assurance); energy and resource efficiency; tailings storage facilities (TSFs), waste rock and acid rock drainage (ARD) management; tailings and waste rock quantities
- *Our People*: training hours; participants; training and development programs
- *Governance*: code of conduct; management of anti-bribery, anti-corruption, ethical supply chains and risks.

Independence

Niboi Consulting is an independent consulting company specialising in the evaluation and assurance of sustainability risk management. Niboi Consulting was not engaged by PanAust for any other consulting work during either the Report or the assurance periods. Niboi Consulting had no part in the preparation of the Report other than highlighting areas of clarification that were needed based on our review of Report drafts.

Conclusion

Niboi Consulting concludes that PanAust's 2023 Business Review and Sustainability Report provides a balanced representation of reported issues and complies with the adopted assurance criteria based on our work scope. We consider that the Report meets the reporting requirements of the GRI Standards for the subject matters that we assessed. During our assessment we identified areas for improvement relating to training categories, exploration energy use reporting, workbook reconciliations and update of the BHX ARD management plan. We also identified areas of good practice comprising the Trades Training Apprenticeship Program, TSF design reporting, risk registers, safety data reporting, human rights training, community relations management and community development programs.

Niboi Consulting Pty Ltd, 11 December 2024, Melbourne, Australia

This report has been prepared for PanAust by Niboi Consulting Pty Ltd (ACN 600 024 226) using the standards, care and diligence of the consulting profession. It is based on generally accepted practices and standards at the time it was prepared. No other warranty is made as a result of the provision of this report. To the extent permitted by law, this statement is provided for informational purposes only and Niboi Consulting will not be liable for any reliance which may be placed on this report by any third party. This report may not be used by any third party without the written permission of Niboi Consulting.







PANAUST

Level 1, 15 James Street
Fortitude Valley, Brisbane QLD 4006 Australia

PO Box 2297
Fortitude Valley QLD 4006 Australia

ABN: 17011065160

T +61 7 3117 2000
E info@panaust.com.au

PANAUST.COM.AU