

Community development awards

In March 2013, PanAust received the Sustainability Leadership Award at the Asia Mining Congress in Singapore. The award recognised the Company's program to create and support business opportunities within the villages closest to its mining operations and activities in Laos. The program has been particularly beneficial to ethnic minority women in the region and enabled an increased cash economy that has, in turn, been discretionally invested by program participant into socially progressive activities such as education and health services.

In December 2011, PanAust was presented with the Labour Medal Class 1 for the 'Best Development in a Rural Area' by the Government of Laos. The award is presented once every five years at the government's discretion. The award recognised PanAust's outstanding contribution to rural socio-economic development and poverty eradication in Laos between 2006 and 2010.

The Livelihood Improvement Program won the 2011 Australian Ethical Investor Sustainability Award within the social and community category, and the Best Community Development Initiative at the 2010 Asia Mining Congress. The Program builds long-term economic capacity within communities close to the Phu Kham Operation by providing training and micro-financing to enable sustainable small businesses such as market gardening, fish farming, and sewing services to be established by local people.

The Livelihood Improvement Program (outlined above) received the Award for Best Community Development Initiative at the 2010 Asia Mining Congress in Singapore.

PanAust's Technical Trades Training Program won the Best Community Development Initiative in the Southeast Asia category at the 2011 Asia Mining Congress. The Program was recognised for its positive economic and social contribution to local communities and the greater Lao economy. The Program provides high-quality Lao-registered trade qualifications in the fields of welding and fabrication, automotive mechanical, automotive electrical, electrical fitting, heavy mechanical engineering and mechanical fitting.

Project development and operational awards

In mid-2015, PanAust's two operations in Laos – Phu Kham and Ban Houayxai – both retained their Caterpillar 5-Star Contamination Control rating for their mobile maintenance workshops and supply warehouses. PanAust's facilities are only two of eight owner-operated mines across the globe to receive the maximum 5-star rating and the first in a developing country. It was the third year running that the mobile warehouses at Phu Kham and Ban Houayxai achieved the rating and the second for Phu Kham's mobile maintenance. Contamination control improves equipment reliability, extends major component life and reduces maintenance costs while providing a safer working environment.

In March 2013, PanAust received the Project Development of the Year Award at the Mines and Money Hong Kong Asia Mining Awards, in recognition of outstanding project management for the development and construction of the Ban Houayxai Gold-Silver Operation. The criteria took into account that it was an International Cyanide Code-compliant project (built from the ground up) and pre-operational certification to the Code was achieved.

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Environmental performance recognition

Each year, PanAust reports to the international Carbon Disclosure Project (CDP) in relation to its carbon programs and climate change risks for the Group including operations and offices in Australia, Laos and Chile.

In 2014, PanAust received a CDP score of 91 (out of 100) for its disclosure which was a significant improvement on 2013 and elevated PanAust into the CDP 2014 ASX200 Climate Disclosure Leadership Index.

In 2015, PanAust won an award in the CDP Australian Climate Leadership Awards in the category of the 'most profitable carbon reduction activity 2015' and the highest overall quality climate disclosure in 2015 which acknowledges the strong link between energy efficiency and financial management. This places PanAust into the CDP 2015 Climate Disclosure Leadership Index. PanAust received a score of 97 (out of 100) for its disclosure.

Reporting recognition

As at 2015, annual research conducted by the Australian Council of Superannuation Investors (ACSI) rated PanAust's sustainability reporting as Leading Practice (the highest of their five categories) for eight consecutive years. The Leading Practice rating was well above averages for both the mining industry sector and the ASX200 Index. For the most recent research published in May 2015, ACSI advised PanAust was only one of five companies outside of the ASX50 to have achieved this status. ACSI provides independent research and advice to assist its member superannuation funds to manage environmental, social and corporate governance investment risk. ACSI's members currently represent more than AUD\$400 billion in funds under management.

In February 2015, PanAust featured favourably in a Credit Suisse ESG report on safety comparatives across S&P/ASX200 companies. The survey examined the relationship between leadership focus on safety and injury frequency, including the weighting of safety in executive remuneration and the quality of disclosure on safety performance in Directors' Reports.

The Report determined that companies that had a higher weighting on safety (20-40 per cent) had a better disclosure on how they were managing their safety risks and overall better lag indicator performance. PanAust (together with Downer, Woodside Petroleum, Oz Minerals and BHP) were acknowledged in the research as a leader in this area. PanAust and Oil Search were also recognised as performing exceptionally well when operating in the context of a developing country where safety challenges are recognised as being greater.

Living up to its stated Value of 'excellence in communications' and signalling PanAust's commitment to transparent reporting and continual improvement, the Company's *2014 Business Review & Sustainability Report* met the Global Reporting Initiative's G4 reporting guidelines (externally assured); a great achievement for a mid-tier mining company and well ahead of industry peers.

In August 2014, a representative of the Australian Reporting Award judging panel provided the following feedback to PanAust on its *2013 Sustainability Report*: disclosures of materiality, governance, and governance structure disclosure were considered leading practice.

In 2013, PanAust's *2012 Sustainability Report* was acknowledged in the Corporate Register 'corporate responsibility reporting' awards in the category of relevance and materiality; ranking tenth out of 28 internationally nominated reports. CorporateRegister.com Limited is an independent, privately held and self-funded organisation based in the UK which provides the world's largest online directory of corporate responsibility reports.