Risk Management Policy

APPROVED BY THE BOARD OF PANTORO GOLD LIMITED

VERSION: 2

Background

Pantoro Gold Limited (**Pantoro** or the **Company**) operates gold mining and processing facilities in Norseman, Western Australia. Pantoro is committed to a comprehensive and proactive approach to risk management that protects and enhances shareholder value, ensures compliance, and supports the Company's strategic and operational objectives.

As an ASX-listed gold mining and production company operating in dynamic and regulated environments, Pantoro is exposed to a broad range of risks. These include financial, operational, compliance, and market risks, as well as emerging areas such as climate-related financial risks, cyber security threats, environmental and social impacts, and psychosocial hazards under workplace health and safety (WHS) laws.

Pantoro's risk management framework is designed to support:

- Informed and balanced decision-making at all levels of the organisation;
- Protection of personnel, assets, the environment, and reputation;
- Identification of opportunities alongside the mitigation of threats;
- Compliance with all applicable legal, regulatory, and governance obligations;
- Long-term value creation and the maintenance of stakeholder confidence.

Risk management is embedded in Pantoro's corporate governance, with oversight by the Board and its Committees, and implementation through all levels of management. The framework is aligned with the ASX Corporate Governance Principles, and evolving ESG, WHS, and climate disclosure expectations.

This policy outlines the Company's integrated approach to managing risk across its operations, including the roles and responsibilities of key stakeholders in maintaining a risk-aware culture and ensuring the sustainability and resilience of Pantoro's business.

Purpose

The purpose of this policy is to define Pantoro approach to identifying, assessing, managing, and monitoring risk across the Company's operations and strategic activities. The policy supports the development of a risk-aware culture and provides a framework to ensure that all material risks are systematically considered and integrated into decision-making at all levels.

Specifically, this policy aims to:

- Ensure risks that could impact the achievement of Pantoro's strategic, operational, financial, or ESG objectives are proactively identified and effectively managed;
- Protect the Company's personnel, assets, reputation, and long-term financial viability;
- Promote informed and responsible risk-taking in line with Pantoro's defined risk appetite;
- Enable the Board and executive management to oversee and assure the effectiveness of risk management systems;
- Support compliance with all relevant legal and regulatory requirements, including WHS, environmental, and financial reporting obligations;
- Reinforce stakeholder trust through transparent, consistent, and accountable risk practices.

This policy applies to:

- All directors, officers, and employees of Pantoro;
- All contractors, consultants, and third parties engaged in activities under the Company's control;
- All sites, projects, joint ventures, and corporate functions across Australia and any future international operations.

The policy applies to all categories of risk including, but not limited to:

- Strategic and commercial risks;
- Operational risks, including safety and production disruptions;
- Financial and market risks;
- Legal and regulatory compliance risks;
- Environmental, social, and governance (ESG) risks;
- Climate-related physical and transition risks;
- Information technology and cybersecurity risks; and
- Health and safety risks, including psychosocial hazards under WHS legislation.

Principles

Pantoro's risk management approach is guided by the following principles, which underpin a structured, consistent, and integrated system across the organisation:

- **Alignment with strategy**: Risk management is embedded in Pantoro's strategic planning, operational execution, and investment decision-making processes to ensure informed choices and sustainable value creation.
- **Integration and accountability**: Risk management is not a stand-alone process but is integrated into all business functions and levels of responsibility. All personnel are accountable for applying risk awareness in their day-to-day activities and decisions.
- **Proportionality and scalability**: The risk management framework is applied proportionately to the scale, complexity, and nature of each business activity, with appropriate systems in place for both site-level and corporate risks.
- **Preventative and responsive controls**: The Company emphasises proactive identification and mitigation of risks, while maintaining capacity for effective response to unforeseen events.
- **Continuous improvement**: Risk management systems and controls are regularly reviewed and refined in response to changing business conditions, regulatory developments, and lessons learned from incidents or audits.
- **Transparency and communication**: Key risks and mitigation measures are communicated clearly to relevant stakeholders, including internal reporting to the Board and external disclosures where required.
- **Compliance with standards**: Pantoro's risk management supports compliance with the ASX Corporate Governance Principles, Corporations Act 2001, and other applicable regulatory requirements.
- **Resilience and stakeholder confidence**: Effective risk management is critical to building organisational resilience, protecting the interests of shareholders and stakeholders, and maintaining Pantoro's licence to operate.

Commitments

Pantoro is committed to maintaining a comprehensive and effective risk management framework that supports sound decision-making, regulatory compliance, and long-term business resilience. The Company will achieve this by implementing the following commitments:

- **Risk identification and assessment**: Continuously identify, assess, and document material risks across all business areas, including financial, operational, strategic, regulatory, WHS, ESG, and climate-related risks.

- **Integrated risk framework**: Apply a consistent, company-wide risk management framework, integrating risk assessment into strategic planning, operational management, and project execution.
- **Risk appetite alignment**: Ensure that risk-taking activities are aligned with the Company's defined risk appetite and tolerance levels, as approved by the Board.
- **Board and committee oversight**: Maintain structured reporting and governance processes to ensure the Board and its Committees are fully informed of key risks, emerging issues, and the effectiveness of control measures.
- **Climate risk management**: Proactively assess and manage climate-related financial risks, including both physical and transition risks, and integrate these into enterprise-wide risk and compliance systems.
- **Cybersecurity and systems risk**: Monitor and mitigate risks to the integrity, confidentiality, and availability of Pantoro's digital systems and data infrastructure.
- **Workplace health and safety risk control**: Identify and address physical and psychosocial WHS risks as part of risk registers and site-level controls, in line with legal and operational requirements.
- **Internal control systems**: Maintain a robust internal control environment to support the management of financial, compliance, and operational risks, even in the absence of a formal internal audit function.
- **Training and awareness**: Provide relevant risk management training and tools to directors, managers, and employees to promote awareness and accountability.
- **Monitoring and reporting**: Regularly monitor, review, and report on risk exposures and control effectiveness through structured reporting, Board updates, and business planning cycles.
- **Continuous review and improvement**: Ensure the risk management framework is subject to regular review and refinement to adapt to changing business conditions, stakeholder expectations, and regulatory obligations.

Risk Governance and Oversight

Pantoro has established a structured risk governance model to ensure that risk is managed consistently, transparently, and in alignment with the Company's strategic objectives and regulatory obligations.

Oversight Responsibilities

The Audit and Risk Committee of the Board is responsible for overseeing the effectiveness of the Company's risk management and control framework. This includes ensuring that key risks are identified, monitored, and addressed in a timely and systematic manner.

Day-to-day responsibility for implementing and maintaining the risk management framework is delegated to the appropriate levels of management across the organisation. The Managing Director retains ultimate accountability to the Audit and Risk Committee for ensuring the integrity and effectiveness of the risk management system.

Risk Management Objectives

Pantoro's risk management system primary objective is designed toensure :

- all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
- business decisions throughout the Company appropriately balance the risk and reward trade off;
- regulatory compliance and integrity in reporting is achieved; and
- senior management, the Board and investors understand the risk profile of
- the Company.

Risk Categories Covered

The risk management framework applies to all significant risk domains, including:

- Operational risk;
- Financial reporting risk;
- Legal and regulatory compliance risk;
- Climate-related financial risk (transition and physical);
- Information systems and cybersecurity risk.

Risk Monitoring and Reporting

Pantoro has established the following arrangements to support ongoing risk monitoring:

- Monthly reporting to the Board on operational and financial performance;
- Preparation of quarterly rolling financial forecasts;
- Circulation of minutes from relevant Committees to the full Board and Committee Chairs;
- Annual reporting to the Board on the risk profile and the effectiveness of the Company's risk controls;
- Continuous development and monitoring of risk management models to systematically identify, assess and understand business risks across the organisation as a whole or specific business activities within the Company.

Internal Audit Function

Due to the size and nature of its operations the company does not have a separate internal audit function. The company relies on other internal control systems such as authorisation of all orders and payments by the responsible managers, dual signing requirements for bank payments and budgetary controls and reporting systems.

Role of Auditor

The Company's practice is to invite the auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

This practice reinforces the Board's oversight responsibilities and enhances investor confidence in the Company's risk and control environment.

Responsibilities

Effective risk management is a shared responsibility across all levels of Pantoro. Every individual within the Company plays a role in identifying, managing, and mitigating risks in accordance with this policy and all supporting procedures.

Overall, all employees are expected to apply risk management principles, tools, and methodologies to their daily activities and decision-making processes in a manner consistent with this Policy and other relevant policies. This includes recognising and reporting emerging risks, complying with control procedures, and actively contributing to a risk-aware culture.

Audit and Risk Committee

The Board, through the Audit and Risk Committee, is responsible for overseeing Pantoro's integrated risk management and control framework. This includes reviewing risk reports, ensuring that appropriate systems and controls are in place, and monitoring the effectiveness of the Company's risk management practices.

ESG Committee

The Board, through the ESG Committee, is responsible for the oversight and ongoing assessment of material environmental, social, and governance (ESG) risks, including but not limited to climate-related financial risks. This includes ensuring that ESG risks are identified, assessed, and appropriately considered in strategic planning, capital allocation, operational decisions, and sustainability reporting. The ESG Committee also plays a key role in ensuring that Pantoro's risk management framework incorporates emerging ESG issues and aligns with stakeholder expectations, regulatory developments, and the Company's long-term sustainability objectives.

Managing Director

The Managing Director is accountable to the Board for the effective implementation and maintenance of Pantoro's risk management framework. The Managing Director ensures that risk governance responsibilities are clearly assigned across the organisation and that risk practices are aligned with the Company's objectives and policy commitments.

Senior Executives

Senior Executives are responsible for leading strategic risk management within their functional and operational areas. Their responsibilities include:

- Formal identification of strategic risks that impact upon the Company;
- Identification of strategic and operational risks relevant to their areas of control;
- Allocating risk management priorities and resources;
- Developing and executing strategic risk mitigation plans; and

- Reporting on progress against risk management objectives through regular management and Board reporting channels.

Together, these roles form an integrated governance model that supports the integrity and effectiveness of Pantoro's risk management system and contributes to the achievement of the Company's strategic and operational goals.

Climate-Related Financial Risk

Pantoro recognises climate change as a material and evolving source of financial, operational, and reputational risk. In line with national governance expectations and sustainability disclosure requirements, the Company has integrated the assessment and management of climate-related financial risks into its enterprise risk management framework.

Climate-related financial risks are broadly categorised into:

- **Transition risks**: These arise from changes in policy, regulation, legal frameworks, technology, market conditions, and stakeholder expectations as Australia and the global economy transition toward a lower-carbon future. These risks may influence Pantoro's operating costs, market access, capital availability, and long-term business resilience.
- **Physical risks**: These include acute event-driven risks such as extreme weather events (e.g. floods, cyclones, bushfires), and chronic risks such as rising temperatures, changing precipitation patterns, and long-term shifts in climate conditions that may impact infrastructure, water access, and environmental performance.

Pantoro's climate risk strategy is based on:

- A proactive and collaborative approach to strengthening the climate resilience of its assets, supply chains, communities, and ecosystems;
- Integration of climate-related financial risk assessment into operational planning, capital investment decisions, and corporate strategy;
- Alignment with AASB S2 – Climate-related Financial Disclosures, which forms part of the Australian Sustainability Reporting Standards (ASRS) developed by the Australian Accounting Standards Board (AASB) to guide mandatory climate risk disclosures. AASB S2 incorporates principles from the international ISSB (International Sustainability Standards Board) framework and establishes baseline requirements for identifying, assessing,

managing, and disclosing material climate-related financial risks and opportunities;
- Embedding material climate risks into the Company's broader risk management and compliance systems to support an integrated, enterprise-wide response; and
- Transparent governance and reporting to inform investors, regulators, and stakeholders of the Company's approach to climate risk and its contribution to sustainable value creation.

Through these measures, Pantoro ensures that climate-related financial risks are managed as part of its core risk governance framework, enabling informed decision-making, regulatory compliance, and long-term organisational resilience.

Integrity of Financial Reporting

Each financial year, the Chief Financial Officer and Chief Executive Officer are required to provide declarations in accordance with section 295A of the Corporations Act to the Board confirming that the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Pantoro will outline and report on major risks to the business and operations of the company in its annual reports in accordance with disclosure guidelines.

Reporting Concerns and Breaches

Pantoro is committed to maintaining the highest standards of integrity, compliance, and accountability. All employees, contractors, suppliers, and stakeholders are encouraged to report any actual or suspected breaches of this policy, or any related unethical or unlawful conduct.

Reporting Channels

In addition to the Integrity Hotline, concerns can be reported directly to any of the following:

- Your line manager or supervisor
- OHS team member
- Whistleblower & Grievance Officer (Company Secretary)

All reports will be treated seriously, confidentially, and in accordance with the company’s Whistleblower Policy and applicable laws. No person will suffer retaliation or adverse consequences for reporting in good faith.

Policy Control

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