



## Risk Management Policy

### 1. IDENTIFICATION OF RISK

The Audit and Risk Committee of the Board is responsible for the oversight of the Pantoro Limited (“the Company”) risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Audit and Risk Committee for the risk management and control framework. The primary objectives of the risk management system at the Company are to ensure:

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

In line with these objectives the risk management system covers:

- (a) operations risk;
- (b) financial reporting;
- (c) compliance / regulations;
- (d) climate-related financial risk (physical and transition risks); and
- (e) system/IT process risk.

Arrangements put in place to monitor risk management include:

- (a) monthly reporting to the Board in respect of operations and the financial position of the Company;
- (b) quarterly rolling forecasts prepared; and
- (c) circulate minutes of and relevant Committees to the Board and the Chairman of each respective committee and provide a report to the Board on an annual basis.
- (d) Risk management models will continuously be monitored and developed to provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole or specific business activities within the Company.

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Approved By	Board of Directors

## **2. 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.

## **3. 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.

## **4. CLIMATE-RELATED FINANCIAL RISK**

Climate-related financial risks can be grouped in two categories: transition risk and physical risk. Transition risks arise from policy, regulatory, legal, technological, market and other societal responses to the challenges posed by climate change and the transition to a low-carbon economy. Physical risks refer to acute risks that are event-driven, including increased severity of extreme weather events, and chronic risks resulting from longer-term changes in climate patterns.

Pantoro's strategy to adapting to the physical risks of climate change is to take a proactive and collaborative approach to increasing the climate resilience of our assets and investments, communities and ecosystems, to achieve beneficial outcomes for our stakeholders. We recognise the importance of working to integrate climate-related financial risks and adaptation assessment and planning into decision-making processes.

As part of Pantoro's risk management system, climate-related financial risks will be assessed to determine the potential impact on the business, those risk which are determined to have a material impact will be integrated across the Company's risk management system and compliance controls to ensure a company-wide approach to climate-related financial risks.

## **5. REVIEW OF RISK MANAGEMENT POLICY**

Given the speculative nature of the Company's business of mineral exploration and production, it is subject to general risks and certain specific risks. The analysis and evaluation criteria are used to continually assess the impact of risks upon the Company's objectives. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. The annual business planning process includes careful consideration of internal and external risk profile of the company. Managers will report monthly to the board on the areas they are responsible for, including key business risks. The Company's risk management process provides a comprehensive, integrated approach for carrying out risk management activities. This process will allow management to minimise the potential impact of business risks in achieving objectives to create and protect shareholder value.

## **6. RESPONSIBILITIES**

Overall, all employees must apply risk management processes, methodologies and tools to all key activities and decisions in a manner consistent with this Policy and other relevant/associated policies, procedures and instructions

### **6.1 Audit and Risk Committee**

The Board, via the Audit and Risk Committee, are responsible for the oversight of the Company's integrated risk management and control framework.

### **6.2 ESG Committee**

The Board, via the ESG Committee, are responsible for the ongoing assessment of climate-related financial risks, including the consideration of climate-related financial risks in key activities and decisions approved by the Board

### **6.3 Managing Director**

The Managing Director is accountable to the Board, for ensuring that the risk management system is implemented and maintained in accordance with the Risk Management Policy. Assignment of responsibilities in relation to risk management is the prerogative of the Board.

### **6.4 Senior Executives**

Senior Executives are accountable for strategic risk management within areas under their control including the dissemination of the risk management process to operational managers. Collectively the Senior Executives are responsible for:

- (a) the formal identification of strategic risks that impact upon the Company;
- (b) allocation of priorities;
- (c) the development of strategic risk management plans; and
- (d) the Senior Executive review progress against agreed risk management plans.

## **7. 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.

## **8. REVIEW**

This Policy will be formally reviewed by the Board each year.