



Frieda River Project

Response to the United Nations Communication

July 2020

CONFIDENTIAL



1. Executive Summary

- Frieda River is an undeveloped project in the northern foothills of the New Guinea Highlands (Central Range) in Sandaun Province. It lies in a remote area approximately 200 kilometres (km) from PNG's northern coast.
- PanAust has spent over US\$100 million advancing the project since acquiring the project in 2014
- PanAust has complied with the relevant laws of PNG
- For this stage in the project development process PanAust has exceeded international benchmarks on what is required from both a feasibility investigation and stakeholder level of engagement perspective in order to mitigate risks identified for the future project development
- In December 2018, PanAust announced a new pathway for the Project that focuses on the development of shared-use infrastructure that will support, and in turn be supported by, a hydroelectric power facility and mining operation. This inclusive development model represents a transformative nation-building opportunity for PNG.
- PanAust has undertaken a wide range of activities ahead of the permitting process to proactively engage with our Landowners and communities above and beyond what is typical in developing countries
- We understand that all mining companies that try to initiate these types of permitting processes face these type of challenges, PanAust is taking this communication seriously
- The scale and nature of the project inevitably creates attention from Non-Government Organisations whose intent is to prevent development of major projects globally
- The Project is currently in the permitting phase; the application is underpinned by a Feasibility Study which is subject to ongoing improvement based on the feedback received during the permitting process and subject to a detailed design phase in the future
- Frieda River commenced the permitting process in December 2018 but has not obtained the Special Mining Lease or Environmental Permits required to develop the project; at this stage the timeline to obtain the permits is unknown while the PNG Government focuses on other near term projects including Wafi-Golpu owned by Newcrest Mining Limited
- PanAust has a plan to progress the project and has significantly advanced a number of aspects relative to stage of project
- The permitting process for new mineral projects in PNG is well defined in the *Mining Act 1992* and the *Environmental Act 2000*.
- In the PNG context it is not possible for a developer to advance the project without the support of key stakeholders, particularly Landowners, who will be key development partners and take up equity in the project through the permitting process
- The permitting process remains open to public review and is incomplete; on this basis there are some aspects that cannot be finalised at this time (eg. the resettlement action plan; noting that a resettlement framework has been provided with the permit application)

- On 20 July 2020, A joint communication sent from the United Nations Special Rapporteur to His Excellency Mr Wang Yi, State Councillor and Minister for Foreign Affairs of China sets out a number of issues relating to the implications for human rights of the environmentally sound management and disposal of hazardous substances and wastes
- There are a number of specific questions in the communication requested to be answered by His Excellency
- The claims set out in the communication are false and could be considered misleading based on this stage of the permitting process; Frieda River Limited has demonstrated a commitment to Human Rights as much as practically possible relative to this stage of project development
- Frieda River Limited denies all allegations set out in the communication
- The submission of this communication at this time prevents a number of aspects from being addressed on the basis that the permitting process is not yet complete
- At this stage, without the SML and Environmental Permits, it is unclear what level of Free Prior Informed Consent (FPIC) would be required or could be achievable for Frieda River Limited; Frieda River has undertaken and documented numerous ongoing engagement with all stakeholders on the Project
- The communication contains a number of factual inaccuracies.

2. Joint Communication from Special Procedures – Questions

The following questions on Page 6 and 7 of the communication are requested to be answered by His Excellency. Brief supporting statements are provided in this Section and supported throughout this report.

2.1 Please provide any additional information and/or comments you may have on the above-mentioned allegations

PanAust is not aware of any incidents related to the allegations with regards to intimidation or violence set out on Page 6.

2.2 Please Highlight the steps that your Excellency's Government has taken, or is considering to take, including policies, legislation, and regulation's, to uphold its extraterritorial obligation's to protect against human rights abuse by business enterprises under its territory, and ensuring that business enterprises within its territory conduct effective human rights due diligence to identify, prevent, mitigate and account for how they address their impacts on human rights throughout their operation, as set forth by the UN Guiding Principles on Business and Human rights

PanAust measures its sustainability performance against international standards and commissions independent audits to evaluate its performance (Section 3).

2.3 Please provide information on additional steps taken by your Excellency's Government to protect against human rights abuses by this company as a state owned enterprise, including by requiring human rights due diligence

2.4 Please indicate what measures your Excellency's Government has taken to ensure that Chinese companies operating abroad are not causing or contributing to abuses of international human rights norms or standards that the People's Republic of China has undertaken to uphold

2.5 Please indicate specific initiatives taken to ensure that those affected by business-related human rights abuse within your jurisdiction and/or territory have access to effective remedy

2.6 Regarding all the above, please provide information on any specific measures taken to ensure dam safety, pollution control and environmental, worker and indigenous rights are respected and protected in the present case

3. Joint Communication from Special Procedures – Inadequacies of the Environmental Impact Statement

On Page 3 of the document, the following concerns are raised.

3.1 Impacts of the toxic waste

3.2 Risk of failure of the tailings dam

3.3 Destruction of livelihoods

National building

Key points from

3.4 Consultation process with affected communities including the availability of information

Frieda River Limited has fully documented the progress achieved with respect to FPIC and considers the progress for this stage in the project development process reasonable

Resettlement

4. Joint Communication from Special Procedures – Other considerations

4.1 Frieda River Limited has used intimidation tactics and colluded with the PNG Royal Constabulary (PNG Police)

Frieda River Limited has a Memorandum of Understanding. Police working in connection with the Project undertook inductions and training with strict protocols around the use of firearms. The date of the allegations is prior to the ownership of the Project by PanAust. The due diligence undertaken for the acquisition of the project did not highlight any human rights issues.

4.2 The PNG Government has not maintained its independence in the permitting process

Frieda River Limited has ensured that all steps in the process have been documented and independence maintained.

4.3 The PNG Government has not made available confidential documents as part of the permitting process

The EIS was submitted in full to CEPA in December 2018. The process is not complete; the Independent Peer Review is a key part of the process to assess the information provided by the Project Proponent. Section 55 of the Environmental Act 2000 sets out clearly the use of confidential documents in the permitting process.

5. Foreign Government responses to UN Communication

5.1 PNG Government – Department of Foreign Affairs

The PNG Government has been contacted on 28 July 2020, confirming:

- insert feedback

The PNG Government remains supportive of the project. The focus in PNG at present is on the Wafi-Golpu Project.

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The Hon. Rimbink Pato, OBE, MP, Minister for Foreign Affairs and Trade of the Independent State of Papua New Guinea, made the following public statement in April 2018:

“...nation-building projects will enhance APEC economic partnerships including the Frieda River Gold & Copper Mine Project...[and] will also boost bilateral and regional trade and investment that will directly change the lives of our people forever”.

5.2 Australian Government – Department of Foreign Affairs and Trade

The Australian Department of Foreign affairs is aware of the UN Communication and received a copy of this on the 20th of July. A department representative suggested that they will provide a general response and that they were not going to comment on any specifics aspects in the letter or on the company itself.

5.3 Canadian Government

The Canadian Government and Cobalt 27, the owner of the former Joint Venture partner on the Project, have not been contacted.

6. Non-Government Organisation – Project Sepik

- The United Nations communication originates from a group called Project Sepik
- Project Sepik has raised a complaint with the PNG Ombudsmen in connection with the performance of CEPA and the permitting of the project – it notes specifically that it is raising the matters contained in the complaint will be raised with the United Nations.
- Project Sepik is led by a former fixed-term employee of Frieda River Limited (24 Aug to 29 November 2009), Emmanuel Peni
- Project Sepik is supported by Jubilee Australia, Dr Luke Fletcher is an Executive Director
- Project Sepik is well known to Frieda River Limited and has published a number of articles on the project in the recent past
- Frieda River Limited had a productive meeting with Project Sepik in 2019 (date, points discussed required); the meeting was attended by:
 - Scott Cowie, General Manager – Technical Services
 - Daniel Moriarty, Project Director – Coffey International
 - Nelson Sukwianomb – Frieda River Limited
 - Emmanuel Peni – Project Sepik
 - Dr Luke Fletcher, Executive Director – Jubilee Australia
 - Dina Rui – Jubilee Australia
 - Natalie Lowrey, Coordinator – Aid/Watch
- Project Sepik organised the Supreme Sukundimi Declaration from 28 Haus Tambarans along the Sepik River; the declaration seeks to unite people against the development of the project; none of our project Landowners were invited to participate or provide their perspective

7. About PanAust

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

In 2015, the Company transitioned from being an Australian Securities Exchange (ASX)-listed company with more than 13,000 shareholders to 100 per cent ownership by cornerstone investor, Chinese state-owned enterprise, Guangdong Rising Assets Management (GRAM).

Sustainability is in PanAust's DNA. Over the course of this Company's development from junior explorer to a leading mid-tier international copper and gold producer and subsidiary of GRAM, the Company has become synonymous with operational excellence, best-practice community development, government engagement, environmental management, health and safety, and employee engagement.

PanAust measures its sustainability performance against international standards and commissions independent audits to evaluate its performance. The Company endeavours to comply with the following standards, principles and guidelines:

- The International Finance Corporation Performance Standards on Environmental and Social Sustainability (applied to PanAust's operating assets)
- Through PanAust's IFC audit process, the Company aligns with the Equator Principles.
- The Minerals Council of Australia Enduring Value which aligns with the International Council on Mining and Metals (ICMM) Sustainable Development Framework Principles
- The ICMM's Principles on climate change policy design
- The International Cyanide Management Code
- The GRI Standards. PanAust reports the GRI indicators that are material to its business as determined through its risk management approach and materiality determination process
- The Voluntary Principles on Security and Human Rights.

As a member of the Voluntary Principles on Security and Human Rights, PanAust has implemented clear guidance and procedures to manage the human rights aspects of security at its Operations and Projects. As the Company's activities in Myanmar ramp up, along with its ongoing presence in Laos and PNG, PanAust's existing security processes, procedures and training will continue to be monitored for effectiveness and tailored to these jurisdictions.

PanAust's alignment to the Equator Principles and membership to the Voluntary Principles on Security and Human Rights dictate that employees and business partners are expected to uphold and demonstrate the Company's commitment to human rights. Any credible allegations of human rights abuses must be reported through supervisors or the Company's Whistleblower Service where appropriate.

PanAust acknowledges that leading practice environmental management is essential for ongoing business growth and success. From exploration to development, throughout operations and into closure, PanAust endeavours to limit its impact on the natural environment. It does this by complying with host country legal requirements and/or international standards (when local standards are either lower and/or silent on a material environmental issue) through the effective management of mine waste, efficient use of resources, progressive rehabilitation of land and the maintenance of ecosystem services.

The Company has a well-established stewardship program for its tailings storage facilities in Laos, each of which are designed and constructed to international standards and guidelines (including the Australian National Committee on Large Dams, ANCOLD) and incorporates the best available technology to account for an integrated life of mine and closure strategy. The Company's management of tailings and waste rock is considered leading international best-practice and provides a templates for how the Company will manage these issues at the Frieda River Project in PNG.

The Company's commitment to health and safety is built on the Zero Harm philosophy whereby it considers all workplace incidents preventable. During the recent COVID-19 pandemic, the Company implemented strict personal hygiene and social distancing guidelines at all its operating sites demonstrate the health, safety and well-being of its entire workforce is, and will continue to remain, the Company's top priority.

PanAust is proud of its sustainability and operational performance and has been recognised internationally through several awards. A list and description of PanAust's awards can be found on the Company's website, <https://panaust.com.au/sustainability>.

8. About Frieda River Limited

- Since 2014, PanAust, as responsible international mining company, has spent significant time and money in two feasibility studies including numerous field programs and operation of the remote exploration site to provide health and education to the project communities
- Frieda River has regularly engaged through a series of structured programs with our project landowners and communities, together with the Local, Provincial and National Government
- External consultants have provided input into key areas related to Human Rights including but not limited to land ownership and resettlement planning
- The development proposal sets out more than construction of the copper mine; a hydroelectric project will provide renewable power to the project and other potential customers in a country where less than 20% of people have access to power
- Developing the mine and the hydroelectric project together with the GoPNG will promote social and economic development in PNG
- The 2016 feasibility study set out a feasible stand-alone project approach
- In 2018 the development proposal was revised to deliver this nation building approach following feedback from stakeholders obtained during the Sepik River Awareness campaigns
- We have developed a number of committees to address the feedback from stakeholders in a structured and documented approach
- Frieda River Limited continues to provide life-saving health services and education support to our remote project communities
- During COVID-19, Frieda River was pro-active in establishing protocols to prevent the spread of the virus prior to the requirements of the PNG Government; Frieda River has provided logistic support to transport community COVID-19 test samples during the pandemic

Commented [SC2]: Strengthen this statement

9. Frieda River's Approach

- For this stage in the project development process Frieda River Limited has exceeded what is required in relation to Human Rights
- Frieda River has documented, regular processes that have been well resourced
- Representatives from the Mineral Resource Authority have been involved throughout the engagement
- Frieda River Limited has engaged independent experts to provide advice on all aspects of the Environmental Impact Statement, which is currently the subject of an independent peer review by the PNG Government
- Land ownership studies have been undertaken
- A resettlement framework has been developed by independent experts; the proposal is to resettle impacted communities on their own land and provide appropriate infrastructure subject to future permitting engagements
- Numerous stakeholder engagement campaigns have been undertaken throughout the future impacted project areas; the responsible PNG Government Departments (Mineral Resources Authority) and (Conservation and Environmental Protection Authority) have attended the statutory campaigns together with the EIS consultant, Coffey, A Tetra Tech Company; not just the Proponent
- Community Leaders Forums: meetings held regularly with our community leaders at the project exploration site (typically quarterly) with minutes recorded, actions followed up, women required to be engaged in the process; this consultation is well documented and demonstrates the supporting engagement processes; this is considered over and above for this stage of project development in PNG
- Joint Provincial Consultation Committees: meetings held regularly with the two Provincial Government Representative relevant to the project area (typically quarterly) with minutes recorded, actions followed up; this consultation is well documented and demonstrates the supporting engagement processes
- Frieda River communicates with the project communities on a weekly basis through the HF radio system
- A Women in Mining program, funded by the Australian Department of Foreign Affairs and Trade, has provided literacy and numeracy training for men and women in the project area
- A land dispute dating back to 1950s was resolved by Frieda River Limited in 2015 which was considered a major milestone for the project
- A Charter and members for RepCo have been drafted
- A Charter and members for LandCo have been drafted
- A dam break assessment has been completed but the science around this is preliminary
- The dam break assessment has been disclosed locally and is referred to in the Environmental Impact Statement; Frieda River Limited engaged with the community located in close proximity to the embankment to understand the implications of dam break and recommendation regarding resettlement on their own land

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What remains to be completed with respect to the project permitting:

- Stakeholder engagement with all levels of Government, Landowners and Communities is planned through the Development Forum to finalise the Special Mining Lease Application
- Completion of the independent peer review (both the review of the Environmental Impact Statement by Hydrobiology Pty Ltd and the Dam Integrity Assessment by SMEC Limited)
- CEPA providing the findings of the IPR to the public – waiting COVID-19
- Stakeholder Engagement in relation to the Environmental Impact Statement through the Statutory Engagement Campaign down the Sepik River – waiting COVID-19
- Resettlement Action Plan with communities to be resettled – not able to be finalised at this stage in the process
- Dam break assessment has not been released publicly; there is a large project footprint and further work is required
- Finalisation of all land ownership; there is a large project footprint and further work is required

The PNG Government does not recognise the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP); UNDRIP does not strictly apply in PNG because of the PNG Constitution but the PNG Government recognises the status of Customary Owners; this version of FPIC, that applies in PNG, is what Frieda River Limited has been diligently working towards; the work in relation to FPIC has been fully documented and the progress can be made available through the Environmental Permitting process

PanAust recognises that there are opportunities to improve stakeholder engagement.

10. Permitting Phase

10.1 Current Status

- The Project has a number of significant steps remaining in order to complete the permitting process which involve structured engagement with all stakeholders: the Public Review Period and the Development Forum
- The Development Forum, a key stakeholder engagement mechanism must be completed in order to be granted the Special Mining Lease; the timing and scope of the engagement has not been discussed with the GoPNG at this time
- The Environmental Impact Statement is currently subject to Public Review with the period closing 31 October 2020; the PNG Conservation and Environmental Protection Authority (CEPA) manages this process which has led to increasing attention from Non-Government Organisations
- COVID-19 has impacted the progress on three key components required to complete the Environmental Permitting process:
 - The Public Review Period (extended to 31 October 2020)
 - The Independent Peer Review (waiting for Western Australian border to open to allow access to a key consultants office), and
 - The Sepik River Statutory Engagement Campaign (subject to a safe environment following ongoing cases of COVID-19 in PNG).

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10.2 Special Mining Lease

In December 2018, an update and revision to the Proposal for Development for Special Mining Lease 9 and applications for supporting tenements were formally submitted to the Mineral Resources Authority. A Special Mining Lease application for the Project was registered by the Mineral Resources Authority on 24 June 2016.

The December 2018 submission included:

- Feasibility Study Report – Sepik Development Project
- Plans supporting the Proposal for Development including:
 - Employment and Training Plan
 - Business Development, Supply and Procurement Plan
 - Landownership Investigation
 - Resettlement Plan
- Supporting Tenement applications for:
 - Special Mining Lease (1)
 - Mining Lease (1)
 - Lease for Mining Purposes (13)
 - Mining Easement (4)

The updated Proposal for Development and related tenement applications are currently being evaluated by the Mineral Resources Authority. The Mineral Resources Authority have completed a preliminary assessment of the application and requested further information and clarifications. Responses have been provided to the Mineral Resources Authority. Frieda River Limited is continuing to work with the Mineral Resources Authority and is actively engaging in the approvals process.

10.3 Environmental Permit

In December 2018, the Environmental Impact Statement for the Sepik Development Project was formally submitted to the Conservation & Environment Project Authority. Following the Environmental Impact Statement, six environmental permit applications were submitted in March 2019. The permit applications were for the:

- Frieda River Copper-Gold Project
- Frieda River Hydroelectric Project
- Sepik Infrastructure Project – Public Roads
- Sepik Infrastructure Project – Vanimo Ocean Port
- Sepik Infrastructure Project – Green River Airport
- Sepik Power Grid Project

The Conservation & Environment Project Authority are in the process of reviewing the EIS and Hydroelectric dam utilising world leading experts to complete an Independent Peer Review to the Environmental Impact Statement. Frieda River Limited is continuing to work with Conservation & Environment Project Authority and is actively engaging in the approvals process.

10.4 East Sepik Government Review

In 2019 the Governor of East Sepik Provincial Government (ESPG) undertook an independent review of the Frieda River Project focusing on the integrity of the Hydro Dam utilising Papua New Guinean experts from the Sepik region. The Governor was undertaking this review of the project to ensure that the project was in the best interest for the Province. This review was to be done prior to the CEPA Statutory engagement campaign down the Sepik River that the ESPG was invited to also participate in.

Documents were requested by the independent reviewers in January 2020 and with agreement from CEPA and MRA these documents were sent to the ESPG review team in February 2020. The ESPG review team conducted a site visit to the Frieda River project area and reviewed the following information onsite and with documents provided

- Geology Map of the Frieda River Catchment showing the major and minor geological structures and lithology.
- Core logs for Drill Holes of the proposed ISF dam embankment
 - Drill hole collars, azimuth etc...
 - Photographs of the Core down hole
- Top reduce-level (RL) of the Dam overflow
- Reports of the Risk Analysis - dam failure scenarios
- Geotechnical Characterisation of the Dam Site
- Ground traverse Subsurface Geophysical Investigation Reports and Plans for any being done
- Information on the volume of the Tailing Waste per hour, apart from the waste rock
- Studies of hydraulic mobility of the Tailings and Waste Rocks within the aqueous medium.

10.5 West Sepik Government Review

The West Sepik Governor has completed a review of the project and submitted their documentation to CEPA. Frieda River Limited was not involved in this process.

11. Background to the Feasibility Study and EIS

- Frieda River Limited has maintained its exploration licence in good standard and was recently renewed until November 2021
- FRL has expended over US\$100 million advancing the feasibility studies on the project including numerous field programs and employment of up to 250 national employees and contractors
- The Frieda River site is currently operated by 100% national workforce
- In 2018 PanAust confirmed a nation building approach for the project
- FRL submitted the Proposal for Development in December 2018 to the Government of PNG (GoPNG) together with the Environmental Impact Statement (EIS) for the Project
- PanAust has not engaged in a proactive media campaign on the project
- The Project Environmental Impact Statement is available on the project website (www.friedariver.com)
- The Special Mining Application is under review; the Mineral Resources Authority (the department responsible for mining tenements) is waiting for the completion of the review of the EIS before progressing further
- The EIS is aligned to the IFC Performance Standards and Equator Principles
- The Proposal for Development work is supported by the 2018 Feasibility Study which will be advanced through detailed engineering following a final investment decision on the Project
- The Feasibility Study was contributed to and reviewed by numerous expert consultants and independently peer reviewed by Behre Dolbear Australia and Nerin Engineering Company
- The Environmental Impact Statement was undertaken by Coffey, a Tetra Tech Company
- The Feasibility Study and Environmental Impact Statement are completed to international standards and considered industry leading standards
- Frieda River Limited has the support of our local landowners and communities and the potential issues arising from the people living along the Sepik River is a documented risk to the project
- The people living along the Sepik River have had a number of opportunities to comment on the project; their feedback in 2017 was incorporated into the updated project proposal in 2018
- There is a significant amount of misinformation in the public, some examples include:
 - There is already a mining operation at Frieda River
 - The construction of the project is already causing contamination in the river
 - Logging has commenced in the area.

12. Quality of Work Undertaken – Third Party Reviews

To ensure that the Sepik Development Project Feasibility Study was completed to the highest quality, PanAust has engaged several internationally recognised consultancy and engineering groups to conduct independent peer reviews of the Project components.

China Gezhouba International Engineering Co. Ltd

China Gezhouba Group International Engineering Co. Ltd was awarded the Early Contractor Involvement Contract for the hydro. China Gezhouba Group International Engineering Co. Ltd undertook a detailed technical and constructability reviews of the hydro Selection Phase Study design with a focus on identification of fatal flaws, constructability issues and optimisation opportunities which could result in cost and/or implementation improvements.

China Gezhouba Group International Engineering Co. Ltd delivered detailed technical and constructability review reports, a work method statement, implementation schedule and a cost estimate report at the completion of the Early Contractor Involvement Contract. The Early Contractor Involvement activities have increased confidence in the design and implementation planning aspects for the delivery of the hydro while reducing the capital cost estimate by approximately US\$700 million.

China Nerin Engineering Co., Ltd.

China Nerin Engineering Co., Ltd. has been engaged to complete an independent peer review and optimisation study of the 2018 Frieda River Copper-Gold Project with the objective to confirm the feasibility of the Project, optimise the study from a Chinese perspective and identify alternative approaches to improve the Project economics.

China Nerin Engineering Co., Ltd. will produce a peer review document and an optimisation study document covering the drivers of technical and economic benefits to the Project, as identified in the peer review, complete with an updated cost estimate and implementation schedule.

Behre Dolbear Australia

Behre Dolbear Australia was commissioned to undertake an independent peer review of the 2018 Sepik Development Project Feasibility Study. Behre Dolbear Australia is a mineral industry consulting group, specialising in independent due diligence reviews, valuations and technical reviews of resources and reserves, mining and processing operations, environmental and social aspects, project feasibility studies, and independent engineer work on project development, construction and certification for companies and financial institutions.

Behre Dolbear Australia produced an independent peer review report that summarised the work that had been undertaken for the Sepik Development Project Feasibility Study, a discussion on its appropriateness and completeness, the reasonableness of the conclusions reached, the project development plans and strategy and areas of perceived risk or any shortfalls in the work undertaken. Behre Dolbear Australia summarised the findings as follows:

“Behre Dolbear Australia is strongly supportive of the concepts incorporated in the Project and considers the alignment of the development of the Frieda River Copper-Gold Project with the Papua New Guinea Government’s nation-building objectives of providing power and infrastructure to the northwest region of

Papua New Guinea significantly enhances the prospect of a successful development. The opportunity for separate third-party funding (and construction) of some of the infrastructure components also enhances the Frieda River Copper-Gold Project development prospects, while the construction of a major hydroelectric scheme allows development of the full potential of the Frieda River Copper-Gold Project and minimises the environmental disturbance with sub-aqueous disposal of waste and sedimentation control”.

13. 2018 Feasibility Study Key Points

- The Sepik Development Project (Project) represents a nation-building opportunity for Papua New Guinea (PNG) and a transformative development for the underdeveloped Sepik region.
- The Project aligns with the Papua New Guinea Development Strategic Plan 2010-2030 (PNGDSP) economic corridor concept by providing important energy, transport and communications infrastructure that supports “an integrated approach to mine development rather than an enclave approach”.
- The Project comprises the Sepik Infrastructure Project (SIP), the Frieda River Copper-Gold Project (FRCGP), the Frieda River Hydroelectric Project (FRHEP) and the Sepik Power Grid Project (SPGP).
- The Project will make a substantial long-term positive economic contribution to the Sepik region of PNG. The Project is likely to be the second largest capital investment in PNG and the first major large-scale development project in the Sandaun and East Sepik provinces.
- Real national gross domestic product (GDP) is estimated to increase by a cumulative value of PGK90.3 billion (US\$29 billion) over 40 years as a result of the Project.
- The Project will employ up to 5,200 people during construction and approximately 2,500 personnel during FRCGP operations with the potential to create over 30,000 indirect employment opportunities.

14. Frieda River Hydroelectric Facility

The Frieda River Hydroelectric Project is located on the Frieda River in West Sepik Province. The embankment site is approximately 16 kilometres (km) downstream of the mine. The facility is engineered to store water for the generation of low-cost hydroelectric power and permanently contain process tailings and mine waste rock from the mine.

The hydro will provide long-life renewable power to the mine and has been configured to optionally supply power to other customers via the Sepik Power Grid Project. The hydro will have an installed power generation capacity of 600 megawatt configured to generate up to 490MW (2,800 gigawatts per hour per annum) making it Papua New Guinea's largest single power generation facility, capable of providing clean, sustainable and reliable energy for more than 100 years.

The hydro comprises a large reservoir and embankment, a spillway, a power generation system and associated support infrastructure. It is designed as a water retaining dam in accordance with international guidelines and leading industry practice. This design philosophy was adopted to address the risks associated with potential seismic activity in the area, the high rainfall and the necessity for the structure to remain stable under such conditions. The design has been reviewed by a panel of leading international experts.

The Project is large, technically complex and located in a remote, tropical and pristine environment. There are many technical risks to be addressed during design, construction and operations such as those associated with large dams in areas of potential seismic activity and high rainfall.

The Sepik Development Project has been designed in accordance with international guidelines and leading industry practice. This design philosophy was adopted to address the risks associated with potential seismic activity in the area, the high rainfall and the necessity for structures to remain stable under such conditions. PanAust is an experienced developer of mines in similar tropical environments, and is seeking world-class partners to deliver the Project elements which fall outside PanAust's area of expertise.

A residual flow system will maintain a minimum environmental flow downstream of the embankment during reservoir filling.

Hydro not a tails dam

Toxic waste

Seismic

Hydrology

Design type

Dam break assessment

Deformation modelling

15. Environmental Impact Statement

Respect for the environment is a core value for PanAust. As an internationally recognised leader in environmental management and sustainability in the mining sector, the Company ensures environmental stewardship is at the forefront of its business strategy and day-to-day decision making.

In 2018, PanAust completed an Environmental Impact Statement (EIS) for the Sepik Development Project which was submitted to the Government of PNG's Conservation Environment Protection Authority (CEPA) as part of the Project permitting process in December.

The EIS recognises the importance of the Sepik River, both from an environmental perspective and the valuable contribution it makes to people's lives and livelihoods. It incorporates comprehensive environmental, socio-economic and cultural heritage baseline data spanning a period of 10 years. Extensive stakeholder engagement was undertaken during this time.

The Environment Act 2000 is the primary legislation for regulating the environmental and socio-economic impacts of new mineral development projects in PNG. The Project involves Level 2 and 3 activities under the Environment (Prescribed Activities)

Regulation 2002; sub-categories 14.2, 17.1, 19.1 and 19.2 are Level 3 activities, for which an EIS is required to be submitted to the Conservation and Environment Protection Authority (CEPA). Coffey has prepared the EIS on behalf of FRL to address the issues set out in the final EIR and form the statutory basis for the environmental assessment of the Project.

The consulting firm was selected to deliver the EIS due to their experts are at the forefront of their specialisation in engineering, geotechnical, testing, environmental and project management services.

The EIS is supported by a number of studies and EIS documentation will be made available on the website of FRL's parent company, PanAust.

This Executive Summary has been prepared in English and Tok Pisin to provide an explanation of the Project for non-technical readers. It provides a summary of:

- The description of the proponent, the proposed development activity and its objectives.
- The physical, biological and socioeconomic setting of the Project.
- The EIS process and stakeholder engagement to inform people about the Project.
- The main findings of the physical, biological and socio-economic impact assessment.
- The Project's proposed environmental and social management, monitoring, auditing and reporting framework.

Environmental planning has sought to avoid, minimise and offset environmental impacts. The key environmental aspects that require mitigation are fugitive sediment emissions during construction, dissolved metal emissions during the Copper-Gold Project's operations and closure, and the general disturbance from Project related activities.

Important strategies for protecting the environment against these aspects (as identified in the EIS) are the subaqueous deposition of mine waste rock and process tailings along with the active treatment of open-pit contact water.

EIS modelling and analysis show that construction related impacts on the aquatic ecology of the Sepik River are expected to have a negligible impact significance rating. This is due to the river's significant distance from construction activities and its turbid composition of naturally high-levels of suspended sediment concentrations.

16. Resettlement

A resettlement plan has been developed in conjunction with a community-level planning process and will be submitted to the MRA. Further resettlement planning activities will be completed with the residents of Ok Isai, Wabia, Paupe and Wameimin 2 villages post submission of the resettlement plan including the development of a resettlement action plan (RAP). This planning will inform negotiations of a resettlement compensation agreement and implementation of the resettlement plan.

Resettlement Compensation Agreements will cover items such as replacement housing, livelihoods and transitional support, support for vulnerable persons, community infrastructure such as schools, aid posts, churches etc. The agreement terms will be developed and negotiated through a Resettlement Planning Committee (RPC). The RPC will be comprised of representatives from the affected communities. The RPC will be a sub-committee or working group of the Community Leaders Forum, an established forum with representatives from all affected communities. The structure and terms of the Resettlement Compensation Agreement will be developed at the RPC and signed at the household level following extensive village level awareness sessions about the relocation and agreement process.

The Project has developed the following resettlement principles:

- Principle 1: The need to resettle communities will be avoided or minimised through effective project design and planning to the extent possible
- Principle 2: Establish clearly defined responsibilities, commitments and governance mechanisms for all aspects of resettlement planning and implementation
- Principle 3: Promote cooperation, inclusive planning and co-ownership of resettlement plans and processes
- Principle 4: Resettlement, if required, will be approached as an opportunity for improving the socio-economic status of resettling and host communities
- Principle 5: Project activities will develop and strengthen social cohesion and respect the cultural integrity of affected communities
- Principle 6: Dealings with households and communities affected by resettlement, and related planning and implementation, will be undertaken in a thorough, fair, equitable and transparent manner that fosters full participation and respects human rights
- Principle 7: Resettlement activities will comply with FRL social policies and standards as well as PNG law, ensuring that resettling and host communities are aware of their legal rights.

The Resettlement Compensation Agreement will follow the same process as a Compensation Agreement, with review being undertaken by the Chief Mining Warden and execution and registration of the agreements by the Mining Registrar.

The approach to livelihood restoration follows the principles below:

- Resettlement site selection will consider the importance of retaining access to existing livelihood activities. By maintaining access to existing activities and practices, the scope of impact, and therefore the need for restoration, is reduced
- Project activities will have the overarching objective of strengthening the social and economic foundations and will result in improvements in quality of life for affected communities
- Livelihood restoration strategies will build on existing local strengths and opportunities, and promote partnerships with the view to achieving long term sustainability
- The participation of affected households is central to achieving community ownership over activities. This will reduce the risk of economic dependency of the resettled communities on the

Project. This includes making special provisions to support the participation of women, youth and vulnerable persons

- Livelihood restoration activities will be a major focus of the Resettlement Monitoring and Evaluation Plan. Monitoring and evaluation activities will demonstrate that commitments and targets have been reached in fulfilment of agreements.

Livelihood restoration will focus on five impact areas where either replacement activities or negotiated compensation arrangements will be necessary:

- Subsistence gardening
- Hunting and foraging activities
- River trade
- Business and other enterprises
- Mining of alluvial gold.

UQ

Females

Committees

Documentation

Framework

Visits

17. Stakeholder Engagement

In Papua New Guinea, land and minerals are owned directly by the traditional land owners. Community support and permission from these landowners to operate is critical to success.

PanAust has been proactively engaging with local, provincial and federal communities since 2014 and enjoys strong support from affected landowners. Community engagement programs with a focus on education and health are a cornerstone of PanAust's development strategy.

PanAust is committed to ensuring its presence positively impacts the host communities and countries in which it operates. The Company's philosophy is that wherever it operates, it collaborates with local authorities and communities to improve the socio-economic livelihood in the region. Focus areas are: infrastructure, health, education, agriculture, small business development, and village savings and credit funds.

The Company's community development programs aim to make meaningful contributions to building long-term community capacity, thereby empowering people to determine and progress their own development priorities now and beyond the life of PanAust's Operations. All operational and active development projects support community development programs in line with good international practice.

In Papua New Guinea, community development planning occurs within village planning committees. The outcome is a community participation agreement between the Company and communities that details responsibilities and costs. Programs to date have focused on improved health and education services and capacity-building with a greater emphasis on the maintenance and establishment of infrastructure to support these services.

To ensure benefits are equitably distributed, PanAust prioritises the inclusion of women in Project negotiations. In Papua New Guinea, the Women in Mining Project – run in collaboration with the Australian Government's Department of Foreign Affairs and Trade – aims to ensure that the economic and social rights and interests of women are heard and addressed.

Health programs are delivered in collaboration with Telefomin District Health and Papua New Guinea Baptist Church Health Services. Activities included the provision of national supplementary immunisations, the delivery of community outpatient clinics, the transportation of medical supplies to project community clinics, attending to medical emergencies, and the evacuation and referral of patients to regional health facilities. Since 2016, the Company has also provided support to Interplast Australia & New Zealand, of whom PanAust has collaborated with in Laos since 2012.

Education assistance is delivered in cooperation with Telefomin District Education and the Boards of various local schools in Papua New Guinea. Activities have included school improvement programs, provision of materials for maintaining and upgrading learning infrastructure, logistics support to teachers and their families, and school fee assistance for students at a tertiary level. The Company has also implemented a program to retain children in primary school, particularly young girls.

17.1 Frieda River Accord

Frieda River Limited and the seven near-project villages have an Accord where it's a set of mutually agreed Visions and Values that are used to advance the project forward.

Vision

- Mutual Respect

- Mutual Benefit
- Due Process
- Safe and Secure
- Continuous Operations
- Working Together

Values

- Acting responsibly at all times
- Integrity in our dealings with each other
- No Discrimination based on gender, ethnicity and race
- Communications that is honest, transparent and respectful
- Upholding at all times agreements between the parties
- Respect for, and strict adherence at all times to, PNG Law

17.2 Community Development Programs

Currently within the project footprint there are seven villagers that are directly involved in the project as key stakeholders. Within these seven communities there are approx. 2065 villagers living in the region.

The company has invested time and effort to upgrade and install new infrastructure to these communities to enable a better lifestyle and increase education and health levels within the local area. The following infrastructure has been built since 2014

- Paupe
 - School staff houses
 - Classrooms
 - CHW Staff House
- Wabia
 - Aid Post & Staff House
 - School staff house
- Ok Isai
 - Aid Post
 - Double classroom
- Wameimin 2
 - Installation of drinking water tanks
 - Aid Post & Staff House
- Wameimin 1
 - Aid Post & Staff House
- Amaromin
 - Double classroom at Fiyak Primary
 - Elementary classroom
- Sokamin
 - Aid Post & Staff House

17.3 Medical

Frieda River provides medical support to the local seven communities, it provides training to the local Community health Workers (CHW) who are based in the village. The company also provides emergency transport for patients in need of urgent medical care (19 emergency cases transported in 2019).

The company also provides Community based consultations when working in the village or near the village and in 2019 six hundred and six (606) cases were personally seen to by the company health professionals. Frieda River limited also transports and delivers all medical supplies from the nearest medical store to each aid post

17.4 Education

Currently Frieda River limited supports the following students with school fee assistance and transport assistance

- Primary – 218 in 2020
- Secondary – 38 students in 2020
- Tertiary – 15 Students

17.5 Women in Mining – funded by DFAT

- A total of 14 women trained, two from each village to run the Adult Literacy Training program in the villages.
- However only twelve (12) of the literacy trainers managed to complete levels 1 & 2.
- There was also the Financial Literacy Training whereby involved both men and women participants.
- Having being trained in the areas of Adult Literacy and Financial Literacy, the women in the communities were able to set up markets. Markets in Ok Isai, Wabia, Amaromin and Wameimin 2 still exist to this day.
- There was the Leadership Training where again the participants were both men and women. This training played a big part in the participation of women representatives in the CLF meetings
- Fourteen (14) men received basic Village Health Volunteer Training. Two from each project communities
- The work on the formation of the Women’s Association was nearing completion in March when COVID-19 stopped the progress of this.

17.6 Sepik River Awareness Campaigns

Conducted in 2015, 2016 and 2018, PanAust’s Sepik River Awareness Program recognises that people living along the Sepik River are important stakeholders and have a right to be informed about the nature and status of the Project. It seeks to build and maintain relationships and trust, manage expectations around the nature, timing and requirements of the Project.

Held in central locations to ensure broad participation by community members including women and youth, the Sepik River Awareness Program includes PanAust and Project presentations and videos, followed by an interactive question and answer session. In 2018, the Program was delivered to more than 7,000 people from approximately 97 villages along the Sepik River and the infrastructure corridor. The engagement team consisted of 8-12 representatives from PanAust’s Community Affairs team, Coffey, CEPA, PNG’s Mineral Resources Authority, West and East Sepik provincial governments and district and local-level governments.

Feedback and community input from these engagement activities has informed decision-making processes for the Project’s design.

Sepik River Awareness Campaigns completed by the Company with Government of PNG Present (MRA, CEPA)		
Date	# of Village Covered	Comments
16 th July – 04 th August 2015	41	From Tauri to Murik lakes
02 nd – 28 th September 2016	29	From Oum 3 to Darapap in the Murik Lakes
28 th Sept – 21 st Oct 2018	103	From Mahanei right down to Kaup also in the Murik Lakes
24 th Oct – 10 th Nov 2019	39	Only from Vanimo to Frieda River villages

Consultation Held in Wewak			
Date	Local Level Govt	Position/Title	# of people
26 th – 27 th Nov 2018	Angoram/Gawi	LLG Manager	2
		Ward Councillors	33
8 th – 9 th Sept, 2019	Angoram	LLG Manager	1
		Ward Councillors	12
		Marienberg LLG Manager	1
		President	1
	Gawi	Ward Councillors	6
		LLG Manager	1
		Ward Committee Members	20

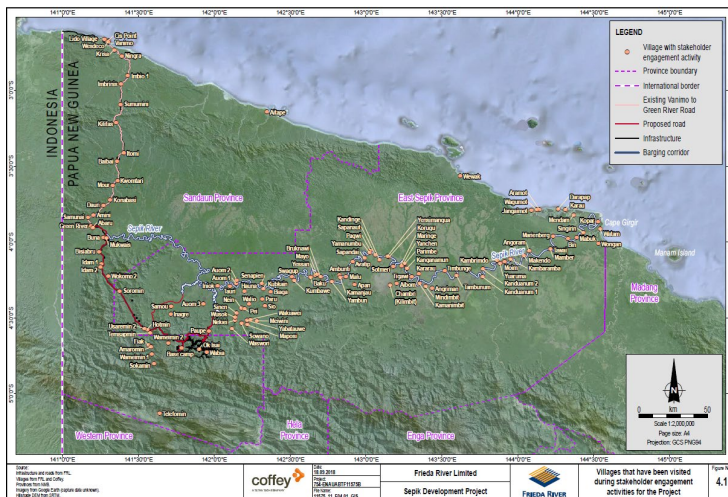
In 2016, PanAust completed extensive stakeholder engagement with near-Project communities and those downstream of the Sepik River following its lodgement of a Special Mining Lease (SML) for the standalone Frieda River Copper-Gold Project. In 2018, the Company announced a new development pathway for the

Frieda River Project – the Sepik Development Project – which responds to feedback received during this engagement.

Security issues

A number of security incidents have occurred with each of the Sepik River Awareness campaigns of the years. The main incident was in 2018 when the staff were alerted to a specific threat to their work along the river. The team stopped the work and pulled back to a location near Pagwi. The decision was made to remove the staff from the area and restart the Sepik River Awareness further downstream. The company then held a couple of meetings in Wewak with the affected villages to ensure the safety of the staff and also to ensure the villagers in the area had a chance to voice their concerns to the company,

2018 Stakeholder engagement map



18. Project Timeline (2010 to 2020)

- 2010
 - OMRD's interest in the Frieda River joint venture (with Xstrata Frieda River Limited and Highlands Pacific) dilutes below five per cent. OMRD drops out of the joint venture in March.
 - Indicated tonnage of the Horse-Ivaal-Trukai resource passes one billion.
- 2013
 - PanAust Limited enters into a share sale and purchase agreement with Glencore to acquire the Frieda River Project. The agreement applicable to conditions precedent relating to all applicable approvals including Glencore satisfying the conditional approval given by the Ministry of Commerce, People's Republic of China to the merger of Glencore International plc and Xstrata plc and the Investment Promotion Authority of Papua New Guinea.
- 2014
 - PanAust completes acquisition of 80 per cent interest in Frieda River. Joint venture partner, Highlands Pacific hold the remaining 20 per cent.
 - Extensive early stakeholder engagement carried out in PNG to support the Frieda River Project.
 - The Frieda River Environmental Inception Report (EIR) was approved by the Papua New Guinea Department of Conservation in December 2014. The EIR is the precursor to the EIS (including the social impact assessment).
 - Development of the Frieda River Copper-Gold Project announced as PanAust's main growth objective.
 - PanAust's Principal Security Advisor conducted a security review of the Frieda River site, and Frieda River logistics and transit locations during 2014. A self-assessment of compliance to the Voluntary Principles of Security and Human Rights was also conducted to inform the Company's reporting requirement as a signatory to the Principles.
 - Prior to and following the acquisition of the Frieda River Project, the Company's General Manager Human Resources and Risk Management met with local landowner villagers on five occasions and advised PanAust would only commence consultation processes when it was inclusive of all villagers, including women.
 - Sponsorship of US\$5,000 was provided to the Zonta Club of Brisbane's 2014 Birthing Kit Project.
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- 2015
 - In January 2015, following a detailed and dedicated process of consultation and mediation, a long-standing land-ownership matter dating back to 1995 between local landowner groups was resolved. In a milestone event, a Local Land Court Mediation agreed customary landownership over the area containing the Frieda River Project resource. The resulting agreement legally recognises six villages from two cultural groups as the 'collective owners' and provides for a division of future project benefits to be derived from the land. The agreement paved the way for the negotiation of a compensation agreement between landowners and joint venture partners in the lead up to the Special Mining Lease application.
 - Updated baseline socio economic surveys completed to form part of the EIS submission.
 - Sepik River Awareness program completed during 2015. People from approximately 55 villages were invited to participate in the program, which spanned four weeks and covered a 700-kilometre river corridor. The program was led by key PanAust staff members (both Frieda River Project and corporate) and supported by provincial government

representatives and the Minerals Resources Authority. Meetings were held in villages along the Sepik River and included a PanAust presentation and video followed by an interactive question/answer time. Meetings were held in a central location to ensure broad participation by community members including women and youth.

- In 2015, 59 per cent of PNG-nationals employed by the Frieda River Project originated from either landowning communities or communities along the land-based logistics corridor (40 per cent), or from communities along the Sepik River logistics corridor (19 per cent).
- Sponsorship of US\$5,000 was provided to the Zonta Club of Brisbane's 2015 Birthing Kit Project.

- 2016

- In May, PanAust announces the completion of the Frieda River Copper-Gold Project feasibility study.
- In June, a Special Mining Lease application for the Frieda River Copper-Gold Project is registered with the Mineral Resources Authority (MRA) in Papua New Guinea.
- PanAust announces the completion of the Environmental Impact Statement for the Frieda River Copper-Gold Project and that an electronic copy of the document was lodged with the Conservation and Environment Protection Authority (CEPA) of Papua New Guinea.
- A total of US\$145,036 in compensation was paid in relation to impacts on community land from construction of the exploration access track.
- During 2016, a total of US\$108,000 was expended in community development programs with a further US\$277,000 associated with the use of helicopters to deliver these programs to Frieda River communities which are inaccessible by road.
- In 2016, PanAust extended its Interplast Program (ongoing in Laos since 2012) to PNG. The Company supported Interplast through a round of surgical assessments of villagers in communities close to PanAust's Frieda River Project. The week-long visit took the Interplast team, along with PanAust Community Affairs personnel, to the villages of Paupe, Wabia, Ok Isai, Oum 3, Iniok, Sokamin, Fiak and District capital Telefomin. The team carried out surgical assessments of villagers who presented with conditions relating to plastic and reconstructive surgery, met with community leaders and compiled patient data.
- In 2016, PanAust paid the educational fees for school students from the Frieda River Project communities to attend the Frieda River Primary, Fiak Primary, Telefomin Secondary and Ambunti Secondary Schools. Students in tertiary education were also provided with financial support and transport assistance. PanAust also provided building materials for maintenance work at both the Frieda River Primary and Fiak Primary Schools.
- In 2016, 51 per cent of PNG-nationals employed by the Frieda River Project originated from either landowning communities or the Sepik River logistics corridor.
- Sponsorship of US\$5,000 was provided to the Zonta Club of Brisbane's 2016 Birthing Kit Project.

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- 2017

- PanAust announces the completion of an addendum to the Frieda River Copper-Gold Project feasibility study. The addendum incorporated data and technical analysis from the geological, geotechnical and metallurgical field projects that was not available at the time the original feasibility study.
- In November, PanAust signed an agreement to partner with the Australian Government on the Women in Mining Project in Papua New Guinea. The Project aims to strengthen the participation of women in the Frieda River Project's Development Forum process and to ensure women receive lasting benefits over the life of the mine and beyond. This

complements a program to combat family and sexual violence in partnership with the Papua New Guinea Mineral Resources Authority, the Australian Government, and the World Bank.

- In September, PanAust provided financial and logistical support to a team of five Interplast volunteers at the Vanimo General Hospital. The team treated 15 patients who received transformative surgery to treat conditions including cleft lip and palates and burns/scar contracture releases. Local medical staff, including the country's only plastic surgery trainee, also received training from the visiting Interplast team.
- In October, ten representatives from the seven landowning communities close to the Frieda River Project visited Harmony Gold's Hidden Valley silver and gold mine in Morobe Province. Coordinated by PanAust in conjunction with the PNG MRA, the visit gave landowners a greater understanding of the social and environmental impacts of a mine and highlighted the potential opportunities for communities that the development of a mine can bring.
- PanAust announces a new development pathway for the Frieda River Project in December. The new approach focuses on the development of shared-use infrastructure that will support, and in turn be supported by, a hydroelectric power facility and copper-gold mining operation: the Sepik Development Project.
- In 2017, PanAust contributed US\$249,134 to community development programs in PNG, with a further US\$45,070 associated with the use of helicopters to deliver these programs to Frieda River communities which are inaccessible by road. A further US\$81,968 of in-kind support was provided to assist with the construction of a telecommunications tower that services three of the Frieda River landowner communities.
- In 2017, PanAust sponsored the PNG Family and Sexual Violence Action Committee (FSVAC) whose objective is to reduce the occurrence of, and suffering caused by, physical, sexual and psychological violence within families and extended families in PNG and increase access to support services and justice for survivors of family and sexual violence.
- In 2017, 77 per cent of PNG-nationals employed at Frieda River originated from landowning communities.
- Sponsorship of US\$5,000 was provided to the Zonta Club of Brisbane's 2017 Birthing Kit Project.

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• 2018

- PanAust announced a new development pathway for the Frieda River Project in PNG in December 2018. The new approach focuses on the development of shared-use infrastructure that will support, and in turn be supported by, a mining operation. Under the inclusive development model, the Frieda River Copper-Gold Project will be a core component of a transformative nation-building opportunity - the Sepik Development Project.
- In 2018, PanAust completed an EIS for the Sepik Development Project. The EIS was submitted to the PNG's CEPA in December and reflects the proposed shared-use infrastructure model that aligns with the Government of PNG's national development plans and incorporates the Frieda River Copper-Gold Project. The EIS incorporated findings from a number of studies including an extensive terrestrial biodiversity assessment that focused on an area of 660,571 hectares. All four Sepik Development Project components were assessed in the EIS.
- Expenditure on the Frieda River Project in PNG in 2018 totalled approximately US\$26 million and included field programs, study works, environmental assessments, lands

identification, stakeholder consultation, community development, corporate support and site-based operational activities.

- In 2018, over 90 per cent of goods and services for the Project were sourced from local suppliers in PNG.
- Through the Women in Mining Project, a mentor continued to work with women from the seven near-Project communities in 2018 to prepare them for participating in the Frieda River Development Forum. Literacy and financial literacy training was also provided, as well as training on gendered approaches to farming (that encourages the equal participation of a household in generating income through farming).
- The revised Frieda River Project scope will require four near-Project villages to be resettled. This will affect approximately 200 households comprising approximately 1,300 people. Consultation with residents from the four villages – including discussions regarding resettlement location options – occurred in 2018 and will continue as part of the resettlement planning process.
- In 2018, a Resettlement Committee was established and comprises leaders from each of the seven landowner villages, including women. Housing and associated facilities and livelihood restoration programs will be provided to the resettled villagers. Housing will be of a higher standard than what is available at current village locations. Villagers are supportive of the resettlement process and its objectives.
- In 2018, PanAust contributed US\$239,353 to community development programs in PNG, with a further US\$56,545 associated with the use of helicopters to deliver programs to the Frieda River Project communities which are inaccessible by road. These programs focused on improved health and education services and capacity-building with a greater emphasis on the maintenance and establishment of infrastructure to support these services.
- Sponsorship of US\$5,000 was provided to the Zonta Club of Brisbane's 2018 Birthing Kit Project.
- In 2018, 61 per cent of PNG-nationals employed at Frieda River originated from one of the seven near-Project communities or from the West and East Sepik Provinces.
- An accord with local communities to peacefully advance the Frieda River Project was signed. Developed with the seven near-Project villages, it ensures the Company and Project landowners will work together to achieve mutually beneficial economic and sustainability outcomes for the lifetime of the Project.

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• 2019

- On 15 April, PanAust announced its wholly owned subsidiary, Frieda River Limited, the CEPA and the MRA presented a copy of the Sepik Development Project EIS to the West and East Sepik provincial administrations

• 2020

- Progress the project permits including hosting the Independent Peer Review workshops
- Transition site operations to care and maintenance
- Maintain community support

19. Site Operations

Frieda River actively practices VPSHR inductions for all security personal that either works on the site or provides security for the safety of our employees. FRL has an interim MOU with the Royal Papua New Guinea Constabulary (RPNGC) in PNG and this has a clear clause on VPSHR in the MOU.

In 2018 Frieda River limited engaged a private security firm to maintain the safety of the staff and the site, This Company was selected on the basis that they had VPSHR training for their guards and were actively training and auditing on these.

Over the years that PanAust has owned the Frieda River company there has been a number of minor security incidents, PanAust Limited has never required the use of force from with the Private or RPNGC to control an incident. Frieda River maintains a strong relationship with its local land owners in an open and honest dialogue with the Frieda River Accord underpinning this relation as a joint set of visions and values that we follow to progress the permitting and the work at Frieda River Limited.