



PARABELLUM  
RESOURCES

# ENVIRONMENTAL SOCIAL GOVERNANCE

## Disclosure Report

Baseline ESG Report

21 August 2022

Report generated on 27 Sep 2022



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Parabellum Resources Limited (“PBL” or the “Company”) is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations’ Sustainable Development Goals. In July 2022, we made a commitment to commence reporting on the Environmental, Social, and Governance (ESG) disclosures of the **Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF)**.

We are in the process of making ESG disclosures in the form of a set of universal, comparable ESG metrics focused on people, planet, prosperity and principles of governance that organisations can report on regardless of industry or region. This table represents our **reporting against the 21 core metrics**, being reviewed quarterly and updated periodically.

We use this universal ESG framework to align our mainstream reporting on performance against ESG indicators. By integrating ESG metrics into our governance, business strategy, and performance management process, we diligently consider all pertinent risks and opportunities in running our business. We continue to look for opportunities for further transparency on the topics which are material to our business.

To track our disclosure progress and demonstrate our sustainability performance against the WEF SCM framework we utilise **Socialsuite’s ESG Go disclosure platform**. ESG Go enables us to demonstrate our ongoing commitment to ESG by providing a dedicated solution to track, report, and share our ESG disclosures. With ESG Go we have started the journey of building robust ESG credentials.

Last updated: 27/9/2022



## GOVERNANCE

### SETTING PURPOSE

<p>TYPE <b>Full disclosure</b></p> <p>STATUS <b>Verified</b></p> <p>LAST UPDATED 27 Sep 2022</p>	<p>Parabellum (PBL) is an ASX listed mineral exploration company committed to increasing shareholder wealth through the acquisition, exploration and development of mineral resource projects. PBL entered into an agreement with Tamarise Limited (UK) that holds the exclusive option to acquire 80% of Khotgor REE project, Mongolia. Furthermore, PBL holds 100% interest in 4 projects situated in a highly prospective region in New South Wales, Australia. PBL's existing project portfolio offers exposure to copper and gold.</p> <p>PBL strongly believes that environmental stewardship and social responsibility is integral to the success of its business. PBL continually strive to adhere to the best industry standards and governance in order to create additional value for our shareholders and stakeholders.</p>
	<p>SEE ALSO</p> <p><a href="#">Website</a></p> <p><a href="#">Statement of Values</a></p>

### GOVERNANCE BODY COMPOSITION

<p>TYPE <b>Partial disclosure</b></p> <p>STATUS <b>Verified</b></p> <p>LAST UPDATED 12 Sep 2022</p>	<p>The Parabellum Resources' Board of Directors strongly believes in the benefits of an independent, diverse, and socially inclusive Board, we acknowledge that we do not currently exhibit all these key indicators at this point in time. The Board is committed to ensuring equal gender representation, diverse skills and experience, and independence, amongst our board of directors in the future, and will work diligently to effect change.</p> <p>In addition, all future Board appointments will collectively reflect the diverse nature of the business environment in which the organisation operates and be made on merit in the context of the skills, experience, independence, and knowledge that the Board requires to be effective.</p> <p>It is important to us that the Board has a number of Non- Executive Independent Directors that ensure a corporate credibility, provide comfort to shareholders that the Company is being run in a professional, considered and ethical manner. Independent directors will also provide a critical risk management function and chair Audit and Remuneration Committees.</p> <p>As part of the the Company's Articles of Association, all directors will be presented for re-election at the Annual General Meeting at least every two years. An independent ESG committee is currently being established that will meet quarterly and the Company will seek to increase the ESG experience of its directors over the next 12 months.</p> <p>You can view our Board of Directors profiles and the Board competency Matrix on the Parabellum website in the link below.</p>
	<p>SEE ALSO</p> <p><a href="#">Board Of Directors and Management</a></p>

## GOVERNANCE

### Parabellum Resources Board and Management Skills Matrix

#### Level of board skills and experience

**Strong: 3** **Good: 2** **Limited: 1**

Name	Mark Hohnen	Peter Ruse	Shaun Menezes	Peter Secker	Battuya Gankhuyag
Title	Chairman	Non Exec Director - Corporate	Non-Executive Director	Executive Consultant	Country Manager
Independent	Y	N	N	N	N
Age	72	38	46	63	38
Gender	M	M	M	M	F
<b>Experience</b>	<b>2.5</b>	<b>2.3</b>	<b>2.0</b>	<b>2.6</b>	<b>2.2</b>
Corporate leadership	3	3	2	3	2
International experience	3	3	2	3	3
Industry & sector experience	3	2	2	3	3
Board experience	3	3	2	3	1
Capital projects	3	2	2	3	2
Strategy Development	3	3	2	3	2
Finance & Accounting	2	1	3	2	2
Legal & Regulatory	2	1	3	2	1
Digital & Information Technology	1	2	3	2	2
Human Resources & People	2	3	2	2	2
Public Relations, Marketing & Communications	2	3	1	2	3
Risk & Compliance	2	2	3	2	2
Capital Markets	3	2	2	3	2
Stakeholder engagement	3	3	1	3	2
Environment & Climate	3	2	1	3	3
Social & Sustainability	2	2	1	3	3
<b>Governance Competencies</b>	<b>2.5</b>	<b>2.2</b>	<b>2.3</b>	<b>2.7</b>	<b>2.5</b>
Financial literacy	2	2	3	2	2
Strategic thinking	3	2	2	3	3
Executive performance management	3	3	1	3	2
Risk management and mitigation	2	1	3	3	3
Compliance focus	2	2	3	2	2
Profile / reputation	3	3	2	3	3
<b>Behavioural Competencies</b>	<b>2.8</b>	<b>2.7</b>	<b>2.5</b>	<b>3.0</b>	<b>2.8</b>
Team player / collaborative	3	3	3	3	3
Ability and willingness to challenge and probe	3	3	3	3	3
Common sense and sound judgement	3	3	3	3	3
Integrity and high ethical standards	3	3	3	3	3
Mentoring abilities	3	2	2	3	2
Interpersonal relations	3	2	2	3	2
Listening skills	2	2	2	3	3
Verbal communication skills	2	3	2	3	3
Understanding of effective decision-making process	3	3	2	3	3
Willingness and ability to devote time and energy to the role	3	3	3	3	3

## GOVERNANCE

### MATERIAL ISSUES IMPACTING STAKEHOLDERS

<b>TYPE</b> <b>Explanation</b>	PBL is committed to continuing clear and consistent communication, engagement, and consultation with our stakeholders. We are currently in the process of developing a detailed Stakeholder Engagement Plan that will encompass input from employees, local communities, shareholders, supply chain and Company management.
<b>STATUS</b> <b>Verified</b>	
<b>LAST UPDATED</b> 30 Aug 2022	
	SEE ALSO <a href="#">Investor Presentations</a>

### ANTI CORRUPTION PRACTICES

<b>TYPE</b> <b>Partial disclosure</b>	Parabellum has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings, with the ongoing ability to both prevent and remedy any potential ethical issues.
<b>STATUS</b> <b>Verified</b>	The Company's Anti-Bribery & Anti-Corruption Policy which applies to all employees, executive management, suppliers, consultants, customers, joint venture partners (where they agree to be bound by the Policy) as well as temporary and contract staff (including subcontractors) is available on the Parabellum website.
<b>LAST UPDATED</b> 31 Aug 2022	As part of the Parabellum onboarding process staff must acknowledge that they will follow the Company's Code of Conduct and the Anti-Bribery & Anti-Corruption Policy as employees or Contractors of the Company.
	Anti-Bribery and Anti-Corruption Policy can be found in the link below.
	SEE ALSO <a href="#">Corporate Governance</a> <a href="#">Anti Bribery and Anti Corruption Policy</a>



## GOVERNANCE

### RISK AND OPPORTUNITY OVERSIGHT

<p>TYPE <b>Partial disclosure</b></p> <p>STATUS <b>Verified</b></p> <p>LAST UPDATED 23 Sep 2022</p>	<p><b>INTEGRATING RISK AND OPPORTUNITY INTO BUSINESS PROCESS</b></p> <p>The Parabellum board demonstrates a clear understanding and synthesis of corporate appetite, board oversight and management’s enterprise risk management systems in relation to key emerging risks and opportunities (specifically those related to economic, environmental and social issues, including climate change and data stewardship).</p> <p>Parabellum's Management is responsible for ensuring effective risk management is being undertaken within the Company. Our process of risk management and internal compliance and control can be found in the Risk Management Framework &amp; Internal Compliance &amp; Control Policy on the website.</p> <p>There is a reporting system that allows site management to classify safety and environmental issues and escalate them to senior management and the Board, subject to their classification. The Board is currently establishing an ESG committee that will meet quarterly to review ESG matters.</p>
	<p>SEE ALSO <a href="#">Risk Management Policy</a></p>

### MECHANISMS TO PROTECT ETHICAL BEHAVIOUR

<p>TYPE <b>Full disclosure</b></p> <p>STATUS <b>Verified</b></p> <p>LAST UPDATED 31 Aug 2022</p>	<p>Parabellum is committed to the highest standards of ethical conduct in all business activities and has the ongoing ability to both prevent and remedy ethical issues.</p> <p>Directors and management of the Company are committed to conducting the business ethically and in accordance with ASX Corporate Governance Principles.</p> <p>The Parabellum Whistleblower Protection Policy has been adopted by the Board to ensure concerns regarding unacceptable conduct including breaches of the Company's Code of Conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The Company is committed to creating and maintaining a culture of corporate compliance and ethical behavior in which employees are responsible and accountable and behave with honesty and integrity.</p>
	<p>SEE ALSO <a href="#">Whistleblower Policy</a></p>

## PLANET

### GHG EMISSIONS

TYPE <b>Explanation</b>	Parabellum has reviewed the GHG Protocol Corporate Accounting and Reporting Standards and understands its implications for its planned projects.
STATUS <b>Verified</b>	As the project has not yet commenced, we are currently not at the stage to report on GHG emissions.
LAST UPDATED 31 Aug 2022	

### LAND USE AND KEY BIODIVERSITY AREAS

TYPE <b>Explanation</b>	Parabellum has commenced fauna, flora and other environmental surveys over the potential project area.
STATUS <b>Verified</b>	The outcomes of these studies will identify and allow the Company to manage any sensitive areas.
LAST UPDATED 31 Aug 2022	

### WATER CONSUMPTION

TYPE <b>Explanation</b>	As the project is currently at planning stage, Parabellum does not currently have any water consumption or withdrawal. This may change as the project is progressed and appropriate assessments will take place before implementation.
STATUS <b>Verified</b>	
LAST UPDATED 23 Sep 2022	

### TCFD IMPLEMENTATION

TYPE <b>Explanation</b>	While the TCFD framework is voluntary in Australia, Parabellum is investigating what the implementation of the TCFD framework will mean for its future projects.
STATUS <b>Reported</b>	
LAST UPDATED 23 Sep 2022	

## PEOPLE

### DIVERSITY AND INCLUSION

<p>TYPE <b>Partial disclosure</b></p> <p>STATUS <b>Verified</b></p> <p>LAST UPDATED 31 Aug 2022</p>	<p>Parabellum is committed to actively managing diversity as a means of enhancing the Company's performance by recognising and utilising the contribution of diverse skills and talent from its directors, officers and employees.</p> <p>Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal factors. Parabellum values the differences between its people and the contribution these differences make to the Company.</p> <p>At Parabellum management is, 50% Australian, 25% English and 25% Mongolian.</p> <p>80% are male and 20% are female. 60% work full time with 40% working part time.</p>
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### HEALTH AND SAFETY

<p>TYPE <b>Explanation</b></p> <p>STATUS <b>Verified</b></p> <p>LAST UPDATED 31 Aug 2022</p>	<p>Parabellum is committed to maintaining a healthy and safe working environment for all its people. Parabellum employees and contractors are required to comply with all applicable workplace health and safety laws and regulations, as well as Parabellum's policies and procedures, to ensure that its people work in an environment that is safe and without risk to one's health.</p> <p>Our position on Safety and Health we aim to:</p> <ul style="list-style-type: none"> <li>- Engage all stakeholders to create a safe and healthy work environment.</li> <li>- Create a diverse and inclusive workplace where everyone feels safe, valued and supported.</li> <li>- Respect and protect the human rights of our employees, contractors, suppliers and community members.</li> </ul>
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## PEOPLE

### TRAINING PROVIDED

<b>TYPE</b> <b>Explanation</b>	Projects are currently at planning stage and Parabellum Resources does not currently measure for this indicator
<b>STATUS</b> <b>Verified</b>	
<b>LAST UPDATED</b> 31 Aug 2022	

### PAY EQUALITY

<b>TYPE</b> <b>Partial disclosure</b>	Parabellum recognises that promoting pay equality reflects an organisation's culture and helps bridge diversity gaps, attract talent and drive long-term competitiveness.
<b>STATUS</b> <b>Verified</b>	Parabellum reports remuneration of Directors and Key Management in the Annual Report to Shareholders which can be found on the website.
<b>LAST UPDATED</b> 27 Sep 2022	Parabellum has also compiled a Remuneration Policy promoting pay equality and clearly outlining the remuneration for Board, Senior Management, Management and Operations personnel which promotes pay equality within our organisation for males and females, as well as minor and major ethnic groups which can be found in the Corporate Governance Plan in the link below.
	<b>SEE ALSO</b> <a href="#">Corporate Governance Plan</a>



## PEOPLE

### WAGE LEVEL

<p><b>TYPE</b> <b>Partial disclosure</b></p> <p><b>STATUS</b> <b>Verified</b></p> <p><b>LAST UPDATED</b> 26 Sep 2022</p>	<p>Parabellum recognises that fair compensation and benefits contribute to the economic well-being of employees.</p> <p>The employees at Parabellum compensation is best explained in the following three criteria:</p> <ol style="list-style-type: none"> <li>1) Mongolian employees/staff - remuneration for the technical and management team in the country are predominantly established on contractor/temp arrangement during the initial operational period and rates are generally competitive with similar positions with international groups operating in Australia. Longer term employment arrangements will be established over the next 6 months as the project moves into the feasibility stage.</li> <li>2) Contractors - remuneration set according to industry rates and charges, these costs are not determined by Parabellum but are competitive with similar contract positions within the resource industry peer group.</li> <li>3) Board and Management (AUS &amp; UK) - board remuneration is in line with industry ASX peer group and will undergo annual review.</li> </ol>
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### CHILD, FORCED OR COMPULSORY LABOUR

<p><b>TYPE</b> <b>Full disclosure</b></p> <p><b>STATUS</b> <b>Verified</b></p> <p><b>LAST UPDATED</b> 31 Aug 2022</p>	<p>Parabellum Resources Ltd is a public company listed on the Australian Stock Exchange and has a strategy of consistently integrating sustainability into the way we do business.</p> <p>Modern slavery has long-lasting impacts on affected individuals and communities around the world. Parabellum has zero tolerance to all forms of modern slavery, and we have taken steps to understand these risks within our business and supply chain to ensuring ongoing management of these risks. Respecting the human rights of individuals in our operations, communities, stakeholder groups and supply chain is an important element of our business and sustainability principles. We seek to align our Policy with the United Nations' Guiding Principles on Business and Human Rights in order to demonstrate benefits to all our stakeholders in a socially responsible manner. We believe this is core to our values and how we lead our business.</p> <p>Taking action on modern slavery is an evolving process and disclosure of the findings requires full disclosure when incidents are identified. Our goal in the Statement is to share our approach, our successes and the challenges faced in implementing our modern slavery due diligence. We look forward to continuing to work with our stakeholders to positively address this serious issue.</p>
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## PROSPERITY

### RATE OF EMPLOYMENT

TYPE <b>Explanation</b>	Parabellum believes employment and job creation are key drivers of economic growth, dignity and prosperity and provide a basic indication of a company's capacity to attract diverse talent, which is key to innovate new products and services.
STATUS <b>Verified</b>	
LAST UPDATED 31 Aug 2022	This quarter there has been XX new hires relating to the 'in- country' team in Mongolia

### TOTAL R&D EXPENSES

TYPE <b>Explanation</b>	Continuous work goes towards the evaluation and development of our projects.
STATUS <b>Verified</b>	Please review future Quarterly Activity Report & Appendix 5B on the costs associated with the Khotgor REE project.
LAST UPDATED 31 Aug 2022	

### TOTAL TAX PAID

TYPE <b>Explanation</b>	The Company understands how taxes are important sources of government revenue, fiscal policy and contributes to economic stability.
STATUS <b>Verified</b>	For disclosure of the total level of tax paid by Province, please refer to the Full Year Statutory Accounts and Quarterly Activity Report & Appendix 5B.
LAST UPDATED 31 Aug 2022	
	SEE ALSO <a href="#">Investor Page</a>

## PROSPERITY

### ECONOMIC CONTRIBUTION

TYPE <b>Explanation</b>	Parabellum economic contribution to the economy will correlate to the long-term financial performance of the Company and wealth creation for stakeholders.
STATUS <b>Verified</b>	Given the project is still in its 'pre-development' phase this criteria is yet to be relevant at this point in time.
LAST UPDATED 31 Aug 2022	A breakdown relating to revenue, operating costs, wages & benefits, and payment to the Government in the form of taxes, licenses and royalties can be found in the Quarterly Activity Report & Appendix 5B.

### FINANCIAL INVESTMENT CONTRIBUTION

TYPE <b>Explanation</b>	Parabellum understands that investment is a key driver of an economy's growth and a company's capacity to expand its operations and create additional employment.
STATUS <b>Verified</b>	Parabellum discloses information on investment activities through the Full Year Statutory Accounts and Quarterly Activity Report & Appendix 5B.
LAST UPDATED 31 Aug 2022	
	SEE ALSO <a href="#">Investor Page</a>

