RISK MANAGEMENT POLICY

1. Purpose

Recognising and managing risk is fundamental to the Company achieving its strategic objectives, and a crucial part of the role of the Board and management. Sound risk management practices can not only help to protect established value, but also can assist in identifying and capitalising on opportunities to creak value.

This Policy sets out the Company's approach to risk management and the responsibilities of the Board, management and others within the Company in relation to risk management. The Company has designed its risk management framework to ensure that risks are identified, understood, managed and minimised to the extent relevant to the sector in which it operates.

2. Scope

This Policy applies to all of the Company's Directors, officers and employees.

3. Responsibilities

The Board determines the Company's "risk profile" and is responsible for establishing, overseeing and approving the Company's risk management framework, strategy and policies, internal compliance and internal control.

The Board has delegated to the audit and risk committee responsibility for implementing the risk management system.

The Audit and Risk Committee will submit particular matters to the Board for its approval or review. Among other things it will:

(a) oversee and periodically review the Company's risk management framework, systems, practices and procedures to ensure effective risk identification and management and compliance with the risk appetite set by the Board, internal guidelines and external requirements;

(b) assist management to determine whether it has any material exposure to environmental or social risks (as those terms are defined in the ASX Recommendations:

  (i) if it does, how it manages, or intends to manage, those risks; and

  (ii) if it does not, report the basis for that determination to the Board, and where appropriate benchmark the Company's environmental or social risk profile against its peers;

(c) consider whether the Company has a material exposure to climate change risk;

(d) assist management to determine the key risks to the businesses and prioritise work to manage those risks;

(e) assess whether the Company is required to publish an integrated report or a sustainability report (as those terms are defined in the ASX Recommendations in accordance with a recognised international standard); and

(f) review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report, at least annually, to the audit and risk committee.

All employees should recognise, communicate and respond to material business risks and participate in the implementation of this Policy.

4. Risk Management Framework

4.1 Risk Appetite

The Board is responsible for deciding the nature and extent of the risks it is prepared to take to meet its objectives (**Risk Appetite**).

Accepting the inherent risks associated with exploration, feasibility and mine development activities in the resource sector, the Company generally has a cautious risk appetite and its risk management framework is designed to ensure that risks are understood, managed and minimised relative to the sector in which it operates.

4.2 Risk Identification

The risks faced by the Company will be identified and documented in a risk register. The Company's material risks fall into the following categories:

(a) Compliance, legal and regulatory;

(b) Economic and political;

(c) Environmental, social and sustainability;

(d) External;

(e) Financial;

(f) Fraud and corruption;

(g) Governance;

(h) Health and safety;

(i) Infrastructure;

(j) Insurance and business continuity;

(k) Internal audit;

(l) Market and competition;

(m) People and culture;

(n) Procurement, contract management and supply;

(o) Strategic;

(p) Technology and cybersecurity;

(q) Workplace health and safety;

4.3 Risk Analysis and Evaluation

Once identified in the risk register, the impact of each risk is analysed and an assessment made as to the likelihood of the risk eventuating. Existing controls in relation to the relevant risk are considered and their effectiveness evaluated. Where the level of risk is above the desired level for the Company, further controls may be considered to address the risk.

The Company's process of risk management and internal compliance and control includes:

(a) identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;

(b) formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and

(c) monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular

assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that are directed towards achieving the following objectives:

(a) compliance with applicable laws and regulations;

(b) preparation of reliable published financial information;

(c) verifying the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, to satisfy the Board that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions; and

(d) implementation of risk transfer strategies where appropriate eg insurance.

4.4 Monitoring, review and disclosure

The Company acknowledges that its risk management framework will evolve with the development and growth of the Company's activities. The Board will review assessments of the effectiveness of risk management and internal compliance and control at least annually.

The Company must disclose at least annually whether the Board (or a committee of the Board) has completed a review of the Company's risk management framework to satisfy itself that the framework:

(a) continues to be sound;

(b) ensures that the Company is operating with due regard to the risk appetite set by the Board; and

(c) deals adequately with contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

The Company will disclose if it has any material exposure to environmental or social risks (as those terms are defined in the ASX Recommendations) and, if it does, how it manages, or intends to manage, those risks.

5. Monitoring and Review

(a) The Board will monitor the content, effectiveness and implementation of this Policy on a regular basis to ensure that it is operating effectively and whether any changes are required.

(b) Any updates or improvements identified will be addressed as soon as possible.