



RISK MANAGEMENT POLICY

(REVISED: MAY 2022)

RISK MANAGEMENT POLICY

1. PREAMBLE

The identification and effective management of risk, including calculated risk-taking, is an essential part of the Company's approach to creating long-term shareholder value. The full Board is charged with implementing appropriate risk systems within the Company. Aspects of this process may be delegated to the Managing Director.

The Board's collective experience will generally enable identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings. The Committee may invite attendance from any staff of the Company and seek external advice to assist in its duties

The following is the Company's framework for:

- risk management; and
- internal compliance and control systems.

It covers the organisational, financial and operational aspects of the Company's affairs. Each Designated Officer is responsible for monitoring the Managing Director in the discharge of his responsibility to ensure the maintenance of, and compliance with, appropriate systems and raising any concerns in that regard with the Chairman.

2. RISK FACTORS

Risks that the Board considers to be particularly relevant are listed in the attached Schedule of Risks, which forms part of this Policy.

3. GENERAL APPROACH

All key management personnel are responsible for using a common-sense approach to foreshadowing and identifying risks and promptly alerting the Board to the same.

4. DESIGN OF RISK MANAGEMENT SYSTEMS

The Board requires management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively.

The Managing Director is responsible for designing, implementing and reporting on the adequacy of the company's risk management and internal control system. Management reports to the Board on the Company's key risks and the extent to which these risks are being managed. This is to be performed on an annual basis or more frequently as required by the Board or any relevant committee.

5. ASSURANCE

The Board will disclose that it has received assurance from the Managing Director and/or the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Managing Director is responsible for ensuring that the Board is satisfied (at least annually) that:

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- management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated and the Managing Director shall seek approval as to the identity of the delegates;
- strategic and operational risks have been reviewed in all operational spheres as part of the annual strategic planning, business planning, forecasting and budgeting process.

Detailed internal control questionnaires are to be completed by the Managing Director and the Chief Financial Officer in relation to financial and other reporting on a six-monthly basis as part of the annual audit and half-yearly review. In accordance with section 295A of the Corporations Act, the Managing Director and the CFO provide a declaration to the Board in relation to the annual and half yearly statutory financial reports.

Due to its nature, any internal control assurance given for the purpose of section 295A can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

6. FINANCIAL REPORTING

The Company relies on sourcing capital via equity capital markets for deployment in exploration and evaluation and corporate administration purposes.

Monthly management accounts (including cash flow reports) are to be prepared and circulated to the Board for review and consideration.

Quarterly Activities and Cashflow Reports are to be prepared and circulated to the Board for review and consideration.

Management is to prepare annual budgets (including a cashflow forecast) which will be circulated to the Board for review, consideration and adoption.

All project expenditure is to be approved in accordance with the Company's Delegation of Authority Policy and the associated Approval Limits.

7. INSURANCES

The Company must maintain appropriate insurance cover. This includes cover in respect of workers' compensation, public liability, motor vehicles and property insurance. The Company may maintain travel insurance for the benefit of the traveller/traveller's next of kin.

The Company may obtain cover for Directors' and Officers' liability, to the extent permitted by the Corporations Act.

8. DATA SECURITY

The Managing Director must ensure that the Company implements appropriate procedures to back up its financial and other electronic data and that the Company's physical records are held adequately safeguarded.