

Risk Management Policy

Approved by the Board with effect from 6 August 2020

1. Introduction

- 1.1 Risk management is a complex and critical component of the Company's governance and management processes. It is not simply an exercise to ensure regulatory compliance but is integral to the creation of shareholder value.
- 1.2 The Board's Audit and Risk Committee oversees and guides the Company's risk management strategy, and the Managing Director is responsible for implementing appropriate risk management systems within the Company.

2. Objectives of Risk Management System

- 2.1 The primary objectives of the Company's risk management system are to ensure that:
- (a) all material risks are identified, analysed and mitigated appropriately;
 - (b) business decisions throughout the Company reflect a proper balance between risk and reward;
 - (c) regulatory compliance and integrity in reporting are achieved; and
 - (d) the Board, senior management, and investors understand the Company's risk appetite and profile.
- 2.2 For the purpose of this Policy, "risks" are defined as possible outcomes that could materially and adversely affect people, the environment, the Company's financial and operational performance, and/or its reputation.
- 2.3 A major goal of the risk management system is the mitigation of risk by various tools, controls, practices and processes. In this way once the financial impact of identified risks is understood, and appropriate internal control systems are in place then it is expected that the systems will operate to limit and mitigate the Company's exposure to such risks.

3. Role of the Board and the Audit and Risk Committee

- 3.1 The Company's Audit and Risk Committee provides oversight and control of the processes used within the Company to manage risk. It oversees the establishment and

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implementation of the risk management system, reviews all major strategies, transactions and corporate actions for their impact on the Company's risk profile, reviews the Company's risk register with Executive Management, and makes recommendations to the full Board when and as appropriate.

- 3.2 The Committee and the full Board conduct at least an annual review of operations, normally in conjunction with the strategic planning process, in order to update the Company's risk profile and to consider whether the Company's risk management system continues to operate effectively, with due regard to the risk appetite set by the Board. This review also includes verification that the risk management framework deals adequately with safety, corruption and fraud risks as well as contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change. The Company discloses annually that this review has taken place.
- 3.3 Not all aspects of risk management can be formalised, and the Company places considerable reliance on the skill, experience and judgment of its people to take risk managed decisions within the framework of this Policy and to communicate openly on all risk related matters.

4. Managing Director has accountability for Risk Management

- 4.1 The Managing Director is responsible and accountable for establishing and implementing an appropriate risk management system in the Company based on ISO Standard 31000:2018. Among other things the risk management system includes but is not limited to the following elements:.
- (a) a ranking of business risks in accordance with the potential impact on the Company;
 - (b) an assessment of the potential impact of each risk, including the financial impact, as well as the likelihood of occurrence;
 - (c) an assessment of the acceptability of each risk and plans to mitigate those risks that otherwise have potentially unacceptable consequences;
 - (d) an assessment of the residual risk after application of mitigation measures; and
 - (e) an assignment of personal responsibility for the management of each risk.
- 4.2 In addition, as specified by Recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the Managing Director and Chief Financial Officer will conduct a review and provide a written declaration of assurance that in their opinion, the financial records of the Company for any financial period have been properly maintained, comply with the appropriate

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accounting standards and give a true and fair view of the financial position and performance of the Company, and that their opinion respectively has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

5. Identified Business Risks

The Board of the Company has identified a range of specific risks that have the potential to have an adverse impact on its business. These include such things as exploration risk, safety, operational and environmental risk, financial risk, sustainability and climate change risks, compliance risk, sovereign and political risks, litigation and insurance risks, data disruption and cyber-security risks, privacy and data breach risks, and fraud and corruption risks.

6. Additional Risk Management Policies and Practices

- 6.1 In addition to the specific risk management process described in this Policy, the Company has the following procedures and practices which are designed to manage specific business risks:
- (a) an insurance program which is reviewed by the Board;
 - (b) regular budgeting and financial reporting;
 - (c) the Company's business plan;
 - (d) corporate strategy guidelines and procedures to review and approve the Company's strategic plans;
 - (e) legally binding commitments and expenditure exceeding certain levels must be submitted to the Board for approval;
 - (f) procedures/controls to manage financial exposures and operational risks;
 - (g) procedures/controls/policies/management standards to ensure that the Company complies with its obligations and responsibilities in relation to environmental issues, occupational health and safety matters, and the communities in which it operates;
 - (h) oversight of the Company's financial affairs by the Audit and Risk Committee and annual and other review and oversight by the Board;
 - (i) regular performance reporting enabling the identification of performance against targets and evaluation of trends; and
 - (j) ongoing training and development programs.

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- 6.2 Additionally, all other significant areas of the Company's operations are subject to regular reporting to the Board, including exploration, development, finance, legal, safety, environment, government and investor relations.

7. Other Matters

The Board will review and reassess this Policy at least annually. Any amendments to this Policy must be approved by the Board.