

## **RISK MANAGEMENT POLICY**

The Board has not established a separate Risk Committee due to the size and scale of its operations. However, the Board as a whole has a proactive approach to risk management and takes responsibility for ensuring that there are adequate policies and procedures in place in relation to risk management, compliance and internal control systems.

Risk is inherent in the Company's business and takes on many forms. It has the potential to impact health and safety, community, environment, reputation, operational, market and financial performance of the Company and in turn impact the achievement of our strategic objectives. By understanding and managing risk, we are able to provide greater certainty and confidence to our Shareholders, employees, contractors, suppliers and the communities in which we operate.

The Board recognises that a sound risk management framework and a strong internal control environment are key elements of good corporate governance. The Board of Kingsrose Mining Limited has developed a Risk Management Policy that describes the manner in which the Company:

- Identifies, assess, monitors and manages business risk and opportunity;
- Identifies material changes to the Company's risk profile; and
- Implements and monitors the effectiveness of the internal control framework.

### **1. STATEMENT OF POLICY**

#### **1.1. Risk Management**

It is the Company's practice to:

- Establish clear objectives, identify and evaluate the significant risks to the achievement of those objectives, set boundaries for risk taking and apply the appropriate fit-for-purpose risk responses including risk mitigation where appropriate;
- Monitor the effectiveness of the risk management process;
- Follow relevant Company standards, processes, procedures and guidelines; and
- Provide half yearly assurance to the Board regarding the compliance with this policy and the effectiveness of the management of significant risks.

## 1.2. Internal Control

### Management will be expected to:

- Resource, operate and monitor its system of internal control;
- Incorporate risk responses in the form of controls into its management system; and
- Report the results of balanced assessments regarding the effectiveness of its internal control including identified weaknesses or incidents to the Board.

## 1.3. Risk Profile

The operation of the Company's risk management process results in the identification of risks, which may impact upon the Company's business. These risks may change over time as the external environment changes and the Company expands or changes its operations. The risk management process requires regular reviews of Kingsrose's existing risks and the identification of any new and emerging risks, including financial and non-financial matters. It also requires the management (including mitigation where appropriate) and reporting of the effectiveness of the management of these risks.

### 1.4. Assessing the Effectiveness of the Policy and Oversight

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Management is responsible for designing, implementing, review and providing assurance as to the effectiveness of this policy.

### 1.5. Accountabilities

The Board will oversee the processes by which risks are managed. This will include defining the Company's risk appetite, monitoring of risk performance and those risks that may have a material impact to the business. Management is responsible for the implementation of the risk management and internal control system to manage the Company's risks and report to the Board in relation to whether those risks are being effectively managed.

All Company personnel have responsibility to identify, analyse, manage and report risks.

Prepared by:	Company Secretary
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