

## RISK MANAGEMENT

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## JINDALEE RESOURCES LIMITED

### RISK MANAGEMENT POLICY

#### Purpose

Taking and managing risk are central to business and to building shareholder value. Sound risk management practices can not only help to protect established value, but can also assist in identifying and capitalising on opportunities to create value.

The Board of Directors of Jindalee Resources Limited (**Jindalee** or **Company**) recognises its responsibility for deciding the nature and extent of the risks it is prepared to take to meet its objectives (**risk appetite**). To enable the Board to do this, the Company must have an appropriate risk management framework to identify and manage risk on an ongoing basis.

This Risk Management Policy (**Policy**) sets out the Company's approach to risk management, including its approach in the identification, analysis, evaluation, treatment and ongoing monitoring of business risk (**Sources of Risk**)

The Company recognises a number of Sources of Risk arising from its business activities. These include but are not necessarily limited to:

- Economic and financial
- Commercial
- Assets and Portfolio management
- Regulatory and Legal
- Technological
- Security
- Political
- Human Resources
- Occupational Health and Safety
- Business continuity
- Operational capability
- Environmental

#### **Risk Management Team**

In order to assist the Board to identify, assess and control risks which affect the Company's business and balance these risks against the potential rewards, the Board has established a Risk Management Team ("RMT").

The RMT includes the Managing Director, Company Secretary and any other officers the RMT may from time to time consider appropriate with the duties of the RMT being:

- To monitor the performance of the risk management framework to ensure it operates within the risk appetite set by the Board.

- To identify and prioritise risks arising from and to business strategies and activities.
- To develop and advise the Board on the level of risk that is acceptable to the Company including the acceptance of risks designed to accomplish strategic plans.
- To develop risk mitigation activities, that when implemented will reduce or otherwise manage risks at levels that have been determined to be reasonable. These activities will include risk minimisation procedures, cost effective insurance or other risk shifting activities.
- To undertake the monitoring of business activities to periodically reassess risks and the effectiveness of controls to manage such risks.
- To prepare, maintain and periodically update the Company's Risk Register setting out identified risks, mitigation activities and residual risks.
- To oversee the Company's insurance program, having regard to the Company's business and the insurable risks associate with the business.
- To supply to the Board periodic reports on the effectiveness of the risk management system in managing material business risks including immediate notification of any material incidents. These reports may be provided at any time however, reports are to be given at least annually.

The RMT has unrestricted access to company employees, contractors and records and may obtain independent expert advice on any matter it believes appropriate.

The Board expects the RMT to consider the following when it undertakes its activities:

- Ensure management and staff are aware of their duties and responsibilities.
- Act as a medium between the Board, management and staff to convey the importance of ethical behaviour in all corporate dealings, as well as the importance of complying with legislation, regulations and industry guidelines.
- Ensure the Company assigns authority based on the skills and experience of the individual.
- Record agreements and safeguard Company documents to substantiate dealings with outside entities.
- Ensure the Company has in place Health & Safety Policies for its employees to maintain a high standard of safety in its workplaces.
- Ensure that the Company has in place all relevant insurance policies to minimise the risk of loss through accident or other adverse events.
- Ensure the Board receives regular reports about the financial condition and exploration activities of the Company. The Managing Director (CEO equivalent) and Company Secretary (CFO equivalent) periodically provide written assurance to the Board that in all material aspects the Company's financial statements present a true and fair view of the Company's financial condition and that the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively in all material respects, and that the systems implement the policies adopted by the Board.

## **The role of the Board**

The Board is at all times responsible for setting the Company's risk appetite, overseeing the risk management framework designed and implemented by the RMT and satisfying itself that the risk management framework is sound. The RMT is not a committee of the Board and the Board acknowledges that it is ultimately responsible for the implementation of any policies, actions or decisions made by the RMT.

The Board will review at least annually the report from the RMT on the Company's management of material business risks and satisfy itself that the risk management system is operating effectively in all material respects.

## **Policy Review**

This policy is to be reviewed **annually**.