

# RISK OVERSIGHT & MANAGEMENT POLICY



**Mineral Deposits**  
ABN 19 064 377 420

## Risk Oversight and Management Policy

### INTRODUCTION

The Risk Oversight and Management Policy (“Policy”) sets out the Mineral Deposits Limited policy in relation to Risk Management.

In this Policy:

“MDL” or “the Company” means Mineral Deposits Limited ACN 064 377 420 and includes, unless the context requires otherwise, all of its Related Bodies Corporate for the time being wherever situate;

“Related Bodies Corporate” has the same meaning as in section 50 of the Corporations Act 2001;

“Risk Management” means the corporate culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects; and

“Risk” means the chance of something happening which will have an effect on the operations and/or objectives of MDL.

### PURPOSES OF THE POLICY

The purposes of this Policy are to:

- ▶ confirm the commitment of the Board of MDL and its senior management to the practice of Risk Management in order to both minimise uncertainty and maximise business opportunities;
- ▶ ensure that Risk is appropriately managed so that stakeholders have confidence to deal with or invest in the Company;
- ▶ formalise and communicate MDL’s approach to the oversight and management of Risk;
- ▶ demonstrate compliance with Principle 7 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations (“the Best Practice Recommendations”); and
- ▶ provide an effective framework for the identification and management of Risk across MDL.

The Company views Risk Management as an integral part of good management practice and an essential element of good corporate governance.

### CULTURE OF THE COMPANY

It is acknowledged that, to be most effective, Risk Management should become part of the culture of the organisation, embedded into MDL’s philosophy, practices and business processes and not either viewed or practised as a separate activity. The Board acknowledges its responsibility to “lead from the top” in this connection.

### RISK PROFILE

MDL faces a range of Risks in its business activities. These include (but are not limited to) strategic, operational and a range of financial risks.

A formal risk profile will be prepared by management to keep the Board informed about material Risks facing MDL. The risk profile having been prepared will, thereafter, be reviewed quarterly and updated via the Risk Management process referred to in this Policy, if appropriate.

### RISK MANAGEMENT PROCESS

With effect from a set date, Risk Management is to be implemented in accordance with Australian/New Zealand Risk Management Standard AS/NZ 4360: 2004 published on 31 August 2004, by Standards Australia and Standard New Zealand (“AS/NZ 4360”).

In particular, the seven main elements of the Risk Management process will be those described in paragraph 2.2 of AS/NZ 4360.

As a matter of good governance, each stage of the Risk Management process must be recorded appropriately.

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### RISK MANAGEMENT STRUCTURES

The Company should make maximum use of its established structures and relevant procedures.

New structures and/or procedures should only be created or implemented if, for good reason, a particular Risk Management issue or task is unable to be effectively addressed or handled by an existing MDL structure or procedure.

The Board may, in this regard, elect to vary the Charter and/or name of the Audit Committee.

### ROLES AND ACCOUNTABILITIES OF PARTICIPANTS IN RISK MANAGEMENT

Whilst the following describes the roles and accountabilities of certain key participants in relation to Risk Management, it is emphasised that all MDL personnel have a role to play in the management of Risk.

#### Board

The MDL Board is responsible for the oversight of Risk Management including the review of this Policy in accordance with the Review of the Policy section below.

The Board should clearly define the “risk appetite” of MDL so that the strategic direction of the Company can be aligned with this Risk Management policy.

#### Audit Committee

Part of the Audit Committee’s role is to advise the MDL Board on risk management and assist the Board to fulfil its risk management and oversight responsibilities.

The objectives of the Audit Committee include the assessment of financial (including currency) risks arising from the operations of MDL and considering the adequacy of measures taken to moderate those risks.

The responsibilities of the Audit Committee include the review of management’s approach to Risk Management.

#### Managing Director and Chief Financial Officer

The Managing Director and Chief Financial Officer are ultimately responsible and accountable to the Board for ensuring that appropriate systems, procedures and controls are in place to identify and manage Risks to an acceptable level.

The Managing Director will highlight areas of significant Risk in the annual strategic plan that he presents to the Board.

Each financial year, the Managing Director and Chief Financial Officer will, in addition to the declarations required by the Corporations Act 2001, state in writing in accordance with Best Practice Recommendation 7.2 that the statement given by them in accordance with Best Practice Recommendation 4.1 is founded on a sound system of risk management and internal compliance and control which implements the policies (including this Policy) adopted by the Board and that the Company’s risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

#### Other Management

Other Senior Managers are responsible and accountable to the Managing Director for ensuring that appropriate systems, procedures and controls are in place so that Risks in relation to those parts of the MDL business or operations for which they have been given responsibility are identified and managed to an acceptable level.

#### Auditor

The auditor is responsible for providing an opinion on the truth and fairness of the annual financial report. In doing so, inter alia he will assess the management of Risk and key internal control systems.

### REPORTING REQUIREMENTS

All personnel must report all new risks, and changes to existing risks, to their superior as soon as they come to their attention.

All managers must report all new risks, and changes to existing risks, to the Managing Director as soon as they come to their attention, having regard to the likelihood and consequences of such risk.

The Managing Director will report to the Audit Committee on a half yearly basis regarding the risk profile of MDL including a summary of any major changes since the last report, or as and when required.



## Risk Oversight and Management Policy

### ACCESS TO POLICY

This Policy will be made available to each employee of MDL. The Company Secretary of MDL will be responsible for its internal and external distribution.

A Summary of the Policy will be available for viewing by any person on MDL's website [www.mineraldeposits.com.au](http://www.mineraldeposits.com.au).

### REVIEW OF THE POLICY

This Policy is subject to regular review by the MDL Board and will be amended (as deemed appropriate) to reflect current best practice and changes to regulatory requirements.