

## **RISK MANAGEMENT POLICY**

### **Acknowledgement of Risk**

The Board of Charger Metals NL (The Board) acknowledges that there is a level of risk present in each of its business activities and accepts responsibility for the oversight of the Company's overall risk management framework.

Responsibility for risk management is delegated to the appropriate level of management within the Company, with the Executive Director having ultimate responsibility to the Board for implementation and execution of the risk management framework.

### **Primary Objectives**

The primary objectives of the Company's risk management framework are to ensure:

- the identification of all potential hazards and their associated risk exposures, and the recording of a comprehensive register covering all possible outcomes for each risk category,
- understanding of each hazard and its associated risks by considering their origins, consequences and likelihoods of occurrence, as well as considering the appropriateness and effectiveness of all existing control measures,
- ranking of the register of risks and hazards in relation to the overall Company environment and prioritising treatment accordingly,
- priority attention is given to hazards with low frequency, high severity risk exposures, treatment options are considered and a risk management strategy for urgent implementation is designed,
- the appropriate balance of the trade-off between risk and reward in business decisions throughout the Company,
- sustained regulatory compliance and integrity, and that
- senior management, the Board and investors all understand the Company's risk profile.

Aligned with these objectives, the risk management framework covers the following risk categories:

- Work Health and Safety (WHS),
- operations,
- financial reporting,
- compliance/regulations and
- Information Technology (IT) system/process.

The Board has put the following arrangements in place to monitor risk management:

- monthly reporting to the Board on the operational and financial status of the company,
- preparation of quarterly rolling forecasts,
- circulation of the minutes of relevant Committee meetings to the Board and the Chairman of each respective committee and
- provision of an annual report to the Board.

## **Material Business Risks & Reporting**

Given the speculative nature of the Company's business, it is subject to risks of both a general and specific nature. These risks include but are not limited to:

- work health and safety
- liquidity
- commodity and currency price volatility
- economic and political uncertainty
- operational
- loss of key personnel
- title and native title
- environmental
- reliance on strategic partners
- exploration success
- capital requirements

Analysis and evaluation criteria are used to continually assess the impact of risks upon the Company's business objectives. Management is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. The annual business planning process includes careful consideration of internal and external risk profiles of the Company.

The Executive Director and Chief Financial Officer (or equivalent) will report to the Board on the areas they are responsible for, including material business risks monthly and provide an annual written report to the Board, summarising the effectiveness of the Company's management of material business risks.

The Company's risk management framework provides a comprehensive and integrated approach to carrying out risk management activities. This process allows management to minimise the potential impact of business risks in achieving its objectives of creating and protecting shareholder value.

## **Integrity of Financial Reporting**

The Company's Chief Executive Officer and Chief Financial Officer (or equivalent) are required to report to the Board in writing (as required by section 295A of the Corporations Act) that:

- the financial statements of the Company and its controlled entities (where appropriate), for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and comply with accounting standards,
- the above statement is founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the Board and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Note: Under the provisions of the Corporations Act a person performs a chief executive function in relation to the Company, if the person is the person who is primarily and directly responsible to the directors for the general and overall management of the Company.

In addition, in the event that there is not a Chief Financial Officer in place, the Corporations Act provides that a person performs a chief financial officer function in relation to the Company, if that person is the person who is primarily responsible for financial matters in relation to the Company and directly responsible for those matters to either the directors or the person or persons who perform the chief executive function in relation to the Company.

The persons fulfilling these respective roles will be identified by the Board with the appropriate declarations made as required.