



RISK MANAGEMENT POLICY

Musgrave Minerals Limited (Company) recognises that taking and managing risk are central to business and building shareholder value. The Board acknowledges that sound risk management practices not only help to protect established value, but can further assist in identifying and capitalising on opportunities to create value.

Whilst the Board determines the Company's risk appetite and is responsible for overseeing and approving the risk management strategy and policies for internal compliance and control, the Board has delegated to the Audit Committee responsibility for implementing the risk management system.

The Audit Committee will submit particular matters to the Board for its approval or review. Amongst other things it will:

- (a) oversee the Company's risk management systems, practices and procedures to ensure effective risk identification, management and compliance with internal policies and external requirements;
- (b) assist management to determine the key risks to the businesses and prioritise work to manage those risks;
- (c) review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures; and
- (d) monitor the Company's risk profile and make recommendations to the Board in relation to the Company's risk appetite.

The Company's process of risk management and internal compliance and control includes:

- (a) identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- (b) formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- (c) monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, procedures are in place that are directed towards achieving the following objectives:

- (a) compliance with applicable laws and regulations;
- (b) preparation of reliable published financial information; and
- (c) implementation of risk mitigation and transfer strategies where appropriate (e.g. insurance).



The responsibility for the day to day management of risk is delegated to Management. Management is required to assess risk management and associated internal compliance and control procedures and report back to the Audit Committee on a regular basis.

The Board will review the risk management framework at least annually to satisfy itself that it continues to be sound.

This policy will be reviewed annually.

Date	24 April 2012
Latest review date	18 May 2017