

# Cosmo Metals Limited

ACN 653 132 828

## Risk Management Policy

Adopted: 12 November 2021

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### 1. Introduction

Cosmo Metals Limited (**Company**) recognises that risk management is an integral part of the Company's business operations and is a continuous process demanding awareness and proactive measures to reduce the occurrence and impact of risk events.

### 2. Objectives

The objectives of this Policy are to:

- provide a framework for identifying, assessing, monitoring and managing risk;
- communicate the roles and accountabilities of participants in the risk management system; and
- highlight the status of risks to which the Company is exposed, including any material changes to the Company's risk profile.

### 3. Role and responsibilities

The Board of Directors (**Board**) of the Company is responsible for:

- risk management and oversight of internal controls;
- establishing procedures which provide assurance that business risks are identified, consistently assessed and adequately addressed; and
- overseeing such procedures.

### 4. Risk management and internal controls

Risk management and compliance includes the following key elements:

- Oversight of the Company's financial affairs will be the responsibility of the Board.
- All major project expenditure must first receive the approval of the Board.
- The Company will adhere to a thorough due diligence process in relation to any proposed business relationship or project acquisition.
- The formulation of programmes for exploration and development, continuity of ownership and access to exploration projects are vital. The Board will require that the Company's management ensures that systems are in place to maintain

effective title to exploration properties, and to fulfil all expenditure and joint venture obligations.

- Management will continuously monitor and manage all issues related to politics, bureaucracy, non-government organisations, traditional owners, community attitudes, civil unrest, contractor and services availability, and adverse weather, which could endanger title or fulfilment of commitments.
- The Company will monitor and manage all issues relating to occupational health and safety. All potential exposures to illness or injury will be managed.
- The Company's computer systems will be regularly maintained for the protection of electronic records, including a comprehensive back-up routine involving off-site storage.

## **5. Risk analysis and evaluation**

### **5.1 Risk evaluation**

The Board will formulate a procedure for analysing and evaluating risk.

A risk evaluation will be carried out by senior management and communicated to the Board before the proposal is approved. Proposals regarded as significant may include:

- major fundraising activities;
- new business relationships;
- project development activities;
- new acquisitions;
- operating in a new country;
- major capital procurement; and
- out-sourcing, partnering or shared service arrangements of functions.

### **5.2 Risk management plan**

The risk evaluation will be documented in a manner that:

- describes the internal and external risks;
- evaluates the impact of the risks; and
- includes any necessary risk management plan.

A risk management plan will identify each risk, specify acceptable thresholds and specify action to be taken in the event that a threshold is exceeded.

Additional risk management plans may be created for each project or operation (e.g. for an operation in a particular area or with a particular contractor).

## **6. Risk monitoring and review**

If after consideration of the risk analysis a proposal is approved by the Board, senior management will monitor progress against the risk management plan and promptly report any material matters to the Board.

Monitoring the status of each risk and any necessary action plan relating to treatment of risk will take place on a regular basis. Any action or recommendations arising out of the review process will be implemented by management.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

## **7. Insurance**

The Company will maintain a comprehensive suite of insurance policies, including the following:

- public liability insurance;
- workers' compensation insurance;
- general insurance for vehicle, equipment, site infrastructure and office assets;
- directors' and officers' indemnity insurance; and
- travel insurance.

The Company's insurance policies will be reviewed on an annual basis.

## **8. Questions and further information**

If you have any questions or need further information about this Policy, please contact the Company Secretary.

## **9. Corporate Group**

In this document, a reference to the Company includes any 'related body corporate' (as defined in the Corporations Act) of the Company, as the context requires.

## **10. Review and publication of this Policy**

The Board will review this Policy on a periodic basis, and may amend this Policy, to ensure that it is appropriate for the Company's stage of development and nature of its operations.

The Company will publish this Policy on the Company's website at [www.cosmometals.com.au](http://www.cosmometals.com.au).