



**MBK**

**METAL BANK LIMITED**

**RISK MANAGEMENT POLICY**

## **Metal Bank Limited – Risk Management Policy**

### **1. BACKGROUND**

The board of Metal Bank is committed to the effective identification and management of the risks which affect its operations and business.

Metal Bank has incorporated risk management into its decision making and business planning processes so that risks are identified, analysed, ranked and appropriate risk controls and risk management plans are put into place to manage and mitigate the identified risks, with all identified risks entered into a Risk Register.

### **2. RISK MANAGEMENT POLICY**

#### **Purpose**

This document sets out Metal Bank's policy for the oversight and management of material business risks and the roles and responsibilities of the board, executives and employees.

The Policy forms the basis for the Company's Risk Framework which seeks to recognise and manage all risk aspects of the Company's business to enable it to operate its business in such a way as to minimise the risk of causing harm to its staff and other stakeholders and to mitigate economic, environmental and social impacts.

Metal Bank's Risk Framework is used to identify, assess, evaluate, manage, monitor, report and communicate risks using a common methodology.

#### **Scope**

The policy addresses all exploration, operational and corporate activities carried out by Metal Bank and its subsidiary companies. This policy applies to all directors, employees, contractors and consultants of the Company.

#### **Policy**

The key elements of Metal Bank's risk management policy are:

- Metal Bank will incorporate risk management into its decision making and business planning processes so that risks are identified, analysed, ranked and appropriate risk controls and risk management plans are put into place to manage and reduce the identified risks, with all identified risks entered into a Risk Register.
- All of Metal Bank's operational tasks are subject to formal risk assessment before a new task is undertaken, a new investment is made or a new work location is opened.
- Metal Bank's risk appetite, Risk Management Framework and the effectiveness of internal control and risk management systems will be reviewed annually by the Board.
- Senior management are responsible for implementation of the Risk Management Framework, management of the Risk Register, monitoring of material risks and implementing the Company's systems of internal compliance and controls.
- Senior management will review specific risks and new and emerging sources of risk, develop necessary risk controls and mitigation measures and update the Risk Register accordingly.

- Risk will be a standing item on the agenda of board meetings, for reporting against material business risks.
- Senior Management will report to the board any material incident involving fraud or break-down of the Company's risk controls and the "lessons learned", as well as any new and emerging material risks, as they are identified.
- Metal Bank will ensure that all staff are properly trained in assessing and mitigating risks.

## **Procedures**

### ***Risk Strategy and Risk Appetite***

Metal Bank's business is the exploration for minerals in Australia and elsewhere and the Company recognises that there are inherent risks associated with its activities and with failure to make significant progress in discovering new mineral deposits. Metal Bank will apply resources to ensure that an adequate number of suitably qualified staff are employed, technical skills are developed, appropriate equipment is provided and that appropriate exploration procedures are carried out to enhance the potential for making discoveries and to ensure compliance with its legal and other obligations.

To support its operations Metal Bank recognises that there are several areas where potential material business risks could arise and accordingly strong risk management processes have been and will continue to be put in place.

The board is responsible for determining Metal Bank's risk appetite and for reviewing the Company's risk appetite annually.

### ***Risk Management Requirements***

Risk management is a focus in all of Metal Bank's activities and risks will be identified and assessed and appropriate controls and mitigation strategies will be put in place. The Risk Register and Risk Management Plans and controls will be reviewed by Senior Management at regular intervals and modified to take into account changes in the risks, new and emerging risk or better information as it comes to hand.

### ***Assurance***

Metal Bank will review the effectiveness of its risk management processes annually and if deemed necessary will engage an external reviewer to facilitate that review.

External audit will provide an opinion on the accuracy and fairness of the Company's annual financial statements. In doing so, they will independently assess the management of significant risks and key internal control systems over financial reports.

## **Review**

The board will review the Metal Bank's risk appetite, material business, social and environmental risks and the Company's risk management framework (including the risk policy and risk register) at least annually to coincide with the preparation and lodgement of the Company's Annual Accounts, to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the board.

### **3. RISK MANAGEMENT ROLES AND RESPONSIBILITIES**

The list below identifies accountabilities and responsibilities for managing risks in Metal Bank.

The risk identification and management system, including the Risk Register, is reviewed annually by senior management and the board and policies and practices upgraded where issues are identified that require attention.

#### ***Board of Directors***

- Champion Metal Bank's governance and risk management framework;
- Determine Metal Bank's risk appetite;
- Satisfy itself that the Company has in place an appropriate risk management framework (for both financial and non financial risks) and oversee the risk management framework and ensure it is implemented and adopted;
- Review annually, Metal Bank's risk appetite, Risk Management Framework and the effectiveness of internal control and risk management systems;
- Review annually Metal Bank's material business, environmental and social risks and risk management controls and plans for those material risks;
- Confirm that Metal Bank's risk management framework is continually maturing to reflect the changing environment and allows Metal Bank to identify and respond to emerging issues and risks;
- Receive reports from management on material business risks, material incidents involving fraud or break-down of the Company's risk controls, as well as any new and emerging material risks; and
- Publicly report and make necessary disclosures relating to risk annually as required by Principle 7 of the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition).

#### ***Executive Directors and Senior Management***

- Develop Metal Bank's strategic risk profile by identifying and prioritising material business risks;
- Review Metal Bank's risk profile periodically;
- Implementation of the Company's Risk Management Framework, management of the Risk Register, monitoring of material risks and implementing the Company's systems of internal compliance and controls.
- Review of specific risks where issues arise and new and emerging sources of risk, develop necessary risk controls and mitigation measures and update the Risk Register accordingly.
- Report to the board any material incident involving fraud or break-down of the Company's risk controls and the "lessons learned", as well as any new and emerging material risks, as they are identified
- Review and assess the current and planned approach to managing material business risks;
- Review and monitor the status of risk treatment/mitigation strategies;
- Periodically report to the Board on material business, environmental and social risks and risk management controls and plans for those material risks; and
- Ensure the risk management framework is implemented across the different areas of operations, including ensuring that all staff are properly trained in assessing and mitigating risks.

#### ***Supervisors***

- Monitor the material risks for their areas of responsibility;
- Provide suitable information on implemented treatment/mitigation strategies to senior management to support ongoing reporting to the Board; and
- Ensure staff are adopting Metal Bank's risk management framework as developed and intended.

### ***Individual Staff***

- Recognise, communicate and respond to expected, emerging or changing material risks;
- Contribute to the process of development of Metal Bank's risk profile; and
- Implement treatment strategies within their area of responsibility.

## **4. RISK REGISTER**

Metal Bank has developed a risk register which sets out details of identified material business risks and the current controls to manage risk along with proposed further actions that need to be taken to manage all identified risks to levels that are acceptable in accordance with Metal Bank's risk appetite.

The entire risk register will be reviewed annually by the Metal Bank board and specific events and treatments will be reviewed as required either in response to particular circumstances or as a new event is identified.

## **5. QUESTIONS**

If you have any questions arising from this Policy please contact the Company Secretary.

**Approved by the Board**