

Cazaly Resources Limited (“Cazaly” or “the Company”) has adopted a Risk Management Policy whereby the Board has delegated the day-to-day management and accountability for risk and risk management to the Managing Director. It also contains the Company's risk profile and describes some of the policies and practices the Company have in place to manage specific business risks.

The Managing Director is required to regularly report to the Board on the progress of, and on all matters associated with risk and risk management. The Managing Director formally reports to the Board on the effectiveness of the Company's management of its material risks on at least at annual basis.

The Board has the overall responsibility for approving the Company's policies on risk, risk oversight and risk management. It must satisfy itself, at least on an annual basis, that management has developed and implemented a sound system of risk management and internal control.

The Board receives an annual written assurance from the Managing Director and the Chief Financial Officer that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

The Company is vested in being a sound corporate citizen.

There are company specific risks that relate to Cazaly's business. In addition, there are also industry specific and general risks for which the Board is aware, with many of these beyond the direct control of the Company. The following is not intended to be an exhaustive list of risk factors to which the Company may or may not be exposed:

Company Specific Risks

- (a) Tenure, access and grant of applications
- (b) Future capital requirements
- (c) Reliance on key personnel
- (d) New projects and acquisitions
- (e) Native title, cultural heritage and sacred sites
- (f) Sovereign and Political Risk

Industry Specific Risks

- (a) Nature of mineral exploration and mining
- (a) Results of Studies
- (b) Resource and Reserve estimates
- (c) Operational Risks
- (d) Environmental regulation risk
- (e) Environmental liabilities risk
- (f) Change in regulations and regulatory risk
- (g) Climate change risk
- (h) Inclement weather and natural disasters
- (i) Occupational Health and Safety Risk

General Risks

- (a) Securities investments
- (b) Economic risk
- (c) Commodity price volatility and exchange rate risks
- (d) Dilution
- (e) Competition
- (f) Litigation risks
- (g) Unforeseen expenses
- (h) Insurance
- (i) Accounting Standards
- (j) Expected future events may not occur
- (k) Trading in securities of the Company may not be liquid

This Policy will be reviewed by the Board on an annual basis.

For and on behalf of the Board

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