

M3 MINING LIMITED
ACN 644 548 434
(Company)

Corporate Governance Policies

Risk Management and Internal Compliance and Control

1. Risk Management and Internal Compliance and Control

The Board of the Company is responsible for satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate.

Management is responsible for overseeing and implementing risk management strategy and policies, internal compliance and internal control.

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

- (a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- (b) continuously identifying and reacting to 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;
- (c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and
- (d) monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:

- (a) effectiveness and efficiency in the use of the Company's resources;
- (b) compliance with applicable laws and regulations; and
- (c) preparation of reliable published financial information.

The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control.

The responsibility for undertaking and reviewing risk management and internal control effectiveness is delegated to management. Management is required by the Board to report back (at least annually) on the efficiency and effectiveness of risk management, inter alia, by benchmarking the Company's performance against industry standards. Following receipt of such periodic report from management, the Board is required to assess the effectiveness of the Company's risk management framework and satisfy itself that the Company's risk management framework continues to be adequate and that the Company is operating with due regard to the risk appetite set by the Board.

The risk profile of the Company contains both financial and non-financial factors including but not limited to political, social, economic and environmental risks. Consideration will be given to whether the Company has a material exposure to any of these risks.

To mitigate/manage these risks, the Company has in place a broad range of risk management policies and procedures including competent management in all disciplines, an experienced

Board, regular Board meetings, six monthly financial audits, rigorous appraisal of new investments and advisers familiar with the Company.

The Chief Executive Officer (or equivalent, if applicable) and the Chief Financial Officer (or equivalent, if applicable) are required in conjunction with the preparation of the annual report, the half yearly report, and any quarterly financial reports required to be lodged in accordance with the ASX Listing Rules, to state to the Board in writing that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion has been formed on the basis of a sound system of risk management and internal control that is operating effectively.

Management is responsible for the ongoing management of risk with standing instructions to appraise the Board of changing circumstances within the Company and within the national and international business environment.

This policy is reviewed annually.