



Dominion Minerals Limited

Risk Management Policy

Adopted by the Board on 28 June 2016

1. Risk Management

The Company's system of risk oversight and management and internal control is designed to identify, assess, monitor and manage risk; and creating and maintaining shareholder value.

The Board is responsible for identifying the risks that face the Company as an organisation. This includes both internal and external risks. The Board reviews all strategic and operational risks that face the Company. An overview of these risks can be found in the risk matrix, which is kept by the Company Secretary and reviewed by the Board at least 6 monthly.

2. Risk Control Framework and Responsibilities

DLM maintains a system of risk oversight, risk management and internal control over material business risks. This is designed to provide reasonable assurance in all material respects of the implementation of the Board's policies and the management of key business risks within the board approved risk appetite.

3. Responsibility and Authority

3.1 The Role of the Board

The Board monitors risk within the Company to ensure that strategic risks are identified and managed and that high standards of operational quality and compliance with the Company's approved strategies, policies and procedures are maintained.

Risk must be identified to allow the Company to plan, assess and execute its strategies. Once risk has been identified and assessed, management and the Board will have the capacity to determine the level of risk that is acceptable to the Company i.e. set its risk appetite. This assessment will allow for the acceptance of risk designed to achieve the Company's strategic plans.

Risk monitoring and assessment activities are designed to reduce, or otherwise manage, risk to levels that are acceptable to management and the Board. Without these controls, decisions regarding the business and its strategies will not be made on a fully informed basis and the Company may not realize the maximum potential from its business.

The Board is responsible for ensuring there is a disciplined approach to identification and management of risk and that management has established and implemented a system for identifying, assessing, monitoring and managing material risk throughout the organisation. This system includes the Company's internal compliance and control systems over which the Board has overall responsibility

A fundamental component of risk management is the development of on-going monitoring and reporting which regularly re-assesses risk and the effectiveness of controls to manage risks. These monitoring activities must be conducted on a regular basis to ensure that existing controls are functioning effectively.

The role of the Board is to:

- a. understand reference materials and background information relating to risk management in the Company's industry and elsewhere as a basis for an assessment of the processes being used by the Company as to appropriateness and best practices;
- b. understand current developments, trends, industry and information related to the business conducted by the Company and other sources of information to determine risk and exposure that may affect the Company;



- c. review on a regular basis corporate policies and practices to ensure the Company's business strategies, risk management philosophy and methodology, and appetite for risk are appropriate for the Company at that time;
- d. be aware of previous risk evaluation reports by management, internal and external auditors;
- e. review reports to evaluate the effectiveness of risk litigation monitoring and communication of risks internally and externally;
- f. review on a regular basis the completeness of management's risk analysis and mitigation actions encompassed within the risk management process and ensure the adequacy and timeliness of recording and reporting risk management mitigation and outcomes; and
- g. ensure an up-to-date formal Board risk management policy is in place.

The Board receives regular reports from the Company's business divisions, which outline areas of significant business risk and the management of those risks and ensures that the Company has an integrated framework of control, based on formal procedures and appropriate delegation of authority and responsibility.

3.2 Audit and Risk Management Committee

The Audit and Risk Management Committee assists the board by:

- a. providing oversight of the reporting of risk management processes and outcomes, and compliance with financial reporting responsibilities;
- b. recommending to the board with regard to the setting of risk appetite and regular review of board policies with regard to risk management;
- c. regularly reviewing identification, assessment, monitoring and mitigating of key strategic and operational risks and reporting key issues to the Board;
- d. assessing the effectiveness of risk mitigation processes and assessment of residual risk; and
- e. reporting to the board on the adequacy of internal controls and compliance with legal and regulatory matters and Company policies.

3.3 Managing Director and CFO

The integrity of the Company's financial reporting relies upon a sound system of risk management and control. Accordingly, the chief executive officer and chief financial officer, to ensure management accountability, are, as part of the Company's annual reporting procedures, required to provide a statement stating that the financial reports of the Company are based upon sound risk management policies and practices.