

MASTERMYNE GROUP LIMITED AND ITS SUBSIDIARIES (Group)

RISK MANAGEMENT POLICY

Policy Statement

The Board and Management of Mastermyne are committed to the implementation and maintenance of a formal risk management system to include opportunities as well as threats, including the integration of risk management throughout all levels of the organisation as fundamental to achieving Mastermyne's strategic and operational objectives as a key element of sound governance.

Objective and Scope

The objectives of this Policy are to:

- Protect the wellbeing of Mastermyne workforce, the wider community in which it operates and its physical environment.
- Ensure a consistent systematic process to identify, evaluate and mitigate or manage risk is developed and formal awareness and training is provided to all individuals on its application.
- Achieve compliance obligations including the development of ongoing risk registers at strategic and operational levels to identify and priorities risks and implement appropriate controls.
- Increase operational effectiveness and performance by achieving strategic objectives.
- Increase effectiveness of management practices throughout the corporation to improve governance by the implementation of risk architecture suitable to the size of the organisation and its operations consisting of the Board, Group Risk Management Committee/ Audit Committee, Risk Manager and Project units.

Mastermyne will ensure that all Directors, Executives and employees of Mastermyne who are responsible and accountable for risks:

- Are aware of, and share, Mastermyne's commitment to risk management;
- Understand their risk management obligations and are responsible and accountable for those obligations;
- Are provided with the means for identifying, managing, reporting and monitoring risks and exposures; and
- Are supported, trained and resourced by Mastermyne sufficiently to enable them to carry out these obligations.

This Policy and supporting procedure apply to all persons working at or attending a Mastermyne workplace.

Responsibilities

Board of Directors is accountable for the determination of the appropriate risk level of risk that Mastermyne can tolerate to achieve its objectives and to inform shareholders of material changes to the Mastermyne Group's risk profile.

The Chief Executive Officer and Senior Management Team are accountable for the development of a robust corporate risk Management strategy which delivers reports to the board, reflecting the true exposures in the business. The senior management Team is also accountable for the development of a risk aware culture and proactive control environment.

Line management are accountable for implementing the Risk Management Plan and underlying procedures at an operational level and reporting to the senior Management team any changes in the level of risk exposure at an operational level.

Individuals are to participate and support the risk management process as required. Individuals are also accountable for the identification, analysis, treatment and reporting of risk, utilising the approved.

Supporting Procedures

The procedures that support this Policy shall:

- Define the Risk Management plan for the organisation.
- Specify the processes used to determine appropriate controls.
- Include the tools used to quantify, identify, manage, monitor and report the risks.
- Include education programs covering information on risk management.
- Define the responsibilities of management, employees, contractors and others.

Adopted by the Board of Directors on the 28th day of October 2013.