

TYMLEZ GROUP LIMITED ACN 622 817 421
(‘Company’)

RISK MANAGEMENT POLICY

1. PURPOSE

- 1.1 The Company believes risk management is essential to the Company meeting its operational objectives and corporate standards. The Company has developed this Risk Management Policy to balance risk and reward in the Company’s activities and to facilitate outcomes in the best interests of all stakeholders.
- 1.2 The Company will use its best endeavours to identify material business risks.

2. DEFINITIONS

In this Policy:

Board means the Board of the Company.

Policy means this Risk Management Policy as amended from time to time.

Senior Management means staff of the Company who manage the Company pursuant to the directions and delegations of the Board.

3. POLICY

- 3.1 There are a number of potential and existing risks associated with the Company’s operations. Pursuant to this Policy, it is aimed that those risks will be identified, analysed, internally reported to the responsible person (and to the Board), and then appropriately managed.
- 3.2 The Company requires the following risk management processes and procedures to be put in place and followed by the Audit and Risk Committee:
- (a) assessing the Company’s risk tolerance level to determine when and what action is required to address and mitigate that material business risk;
 - (b) ensuring risk management is included in strategic and business planning;
 - (c) training senior management to consider and manage material business risks;
 - (d) maintaining and updating an internal Risk Management document which:
 - (i) identifies current material business risks for the Company;
 - (ii) details the current controls being implemented;

- (iii) assesses the likelihood and consequences of the risk occurring;
 - (iv) if deemed necessary, specifies further action to eliminate, reduce, transfer, manage or accept each risk; and
 - (v) outlines management responsibilities for dealing with the risk;
- (e) ensuring Senior Management has developed and implemented risk mitigation plans and internal controls;
- (f) providing the Risk Management document and a report to the Board for review on a monthly basis (or at such other regularity as deemed appropriate). The report will cover:
 - (i) operational risks;
 - (ii) financial reporting in compliance with section 295A of the *Corporations Act 2001* (Cth);
 - (iii) compliance/regulations; and
 - (iv) system/IT process risk;
- (g) make recommendation to the Board in respect of any incident involving fraud or other breakdown of internal controls and the Company's insurance program with regard to the entity's business and insurable risks;
- (h) preparing annual disclosure with respect to ASX recommendations under Corporate Governance Principle 7 so that Senior Management, the Board and investors understand the risk profile of the Company; and
- (i) implementing any processes or procedures required by the Audit and Risk Committee Charter as amended from time to time.

4. RESPONSIBILITIES

- 4.1 The Board has overall responsibility for the oversight of matters relating to risk, compliance and internal control and will regularly review this Policy to ensure the Audit and Risk Committee is managing its material business risk effectively.
- 4.2 The Audit and Risk Committee has a number of responsibilities in relation to risk management set out in the Audit and Risk Committee Charter.

5. ENVIRONMENTAL SUSTAINABILITY RISKS

- 5.1 Pursuant to the revised *ASX Corporate Governance Principles and Recommendations 2014 (3rd Edition)*, the Company notes that the Company may be

indirectly exposed to environmental sustainability risks, and thereby may adversely impact the ecosystems in which the Company operates by:

- (a) failing to ensure that its subsidiaries minimise pollution, manage waste, use water and energy efficiently, and address relevant biodiversity issues; and
- (b) failure to ensure that its subsidiaries comply with, as a minimum, relevant legal and other requirements, including environmental laws and regulations.

5.2 The Company will endeavour to manage this risk by complying at all times with all applicable laws and intends to conduct its activities in an environmentally responsible manner. The Company intends to use its best endeavours to identify, assess and eliminate (or lower the risk of) environmental hazards. The Company shall also endeavour to ensure that the Company's Senior Management and staff have the resources and skills necessary to identify potential environmental issues, and manage and mitigate environmental sustainability risks.

6. ECONOMIC SUSTAINABILITY RISKS

6.1 Pursuant to the revised *ASX Corporate Governance Principles and Recommendations 2014 (3rd Edition)*, the Company's ability to continue operating at a particular level of economic production over the long term may be adversely affected by the following risks:

- (a) A downturn in the Australian and/or the international economy may negatively impact the performance of the Company which in turn may negatively impact the value of securities in the Company. The Company's share price will be influenced by the prevailing market prices from time to time of the resources that the Company is targeting in its exploration programs.
- (b) The price of gold is influenced by physical and investment demand for, and supply of, gold. Fluctuations in these prices may influence the demand for the Company's product and the price of the Company's Shares.
- (c) Further, if the Company's Chinese subsidiaries retail gold ore or gold products internationally, such products are likely to be principally sold throughout the world in US dollars so any fluctuations in the exchange rate between Australian and US dollars could adversely affect the Company's financial position, performance and prospects. These factors may have an adverse effect on the Company's activities as well as its ability to finance future projects and activities.

6.2 The Company will endeavour to mitigate these risks by engaging skilled and experienced management staff and exercising prudent financial administration. The Board also intends to require Senior Management to design and implement risk

management and internal controls, and report on whether those risks are being managed effectively.

7. SOCIAL SUSTAINABILITY RISKS

7.1 Pursuant to the *ASX Corporate Governance Principles and Recommendations 2014 (3rd Edition)*, the Company's ability to continue operating in a manner that meets accepted social norms and needs over the long term may be affected by a failure to respect the diverse culture of the Company's operating environment or to adhere to the community standards of such environment.

7.2 To mitigate these social sustainability risks, the Board shall circulate a Diversity Policy and shall use its best endeavours to ensure that the Company's Senior Management and staff understand the principles behind the Diversity Policy and adhere to it.