

Risk Management Policy

1 Purpose

Risk management is a complex and critical component of Asara Resources Limited's (**Asara** or the **Company**) governance framework and recognising and managing risk is fundamental to the Company achieving its strategic objectives. Sound risk management practices can not only help to protect established value but also can assist in identifying and capitalising on opportunities to create value and is a crucial responsibility of the Board and management.

The primary objectives of the risk management strategy at the Company are to ensure:

- a. All major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately.
- b. Business decisions throughout the Company appropriately balance the risk and reward trade off.
- c. Regulatory compliance and integrity in reporting are achieved.
- d. Senior management, the Board and investors understand the risk profile of the Company.

In line with these objectives, the Risk Management Framework covers:

- a. Operations risk.
- b. Financial reporting.
- c. Compliance.

2 Commitment

The Company is committed to managing and minimising risk by proactively and systematically identifying, analysing, evaluating and managing risks that could potentially impact the business. To achieve this commitment, the Company will:

- a. Maintain the Risk Management Framework and ensure it is implemented throughout the organisation as a prudent and effective management practice.
- b. Embed risk management into strategy, day-to-day operational activities and overall decision-making.
- c. Respond, report and learn from material incidents and breaches.
- d. Regularly consider and update the Company's risk register to identify emerging risks.
- e. Monitor and evaluation risk management processes to provide assurance that risk control measures are effective.
- f. Undertake annual reviews of the company's risk management strategy and framework and see continuous improvement in the management of risk.

3 Monitoring and Review

The Board will review the Company's operations and Risk Management Framework at least annually, or more if required, having regard to the Board's risk appetite.

Material risks are regularly reported to the Board by management.

Management reports to the Board on:

- a. Any proposed changes to the Risk Management Framework
- b. Any exposures or breaches of the Company's key policies, procedures or systems (including this Policy) or incidence of risk (where significant).
- c. New and emerging sources of risks (including the risk controls and mitigation measures that have been or are being put in place by management to deal with those risks).
- d. Any disclosure related considerations on material risk issues.

4 Review

The Company's Risk Management Framework is evolving. It is an on-going process, and it is recognized that the level and extent of the Risk Management Framework will evolve as the Company's activities grow and develop. This will include an annual review of this policy by the Board.