



ACN: 073 391 189

RISK MANAGEMENT POLICY

1. PURPOSE

Recognising and managing risk is fundamental to Argosy Minerals Limited and its subsidiaries (collectively **Argosy** or the **Company**) achieving its strategic objectives, and is a crucial part of the role of the Board of Argosy Minerals Limited (Board), Audit and Risk Committee and management. 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.

The Company recognises that a failure by it to recognise or manage risk can adversely impact not only on the Company and its shareholders, but also other stakeholders which may include employees, customers, suppliers, creditors, consumers, taxpayers and the broader community in which the Company operates.

The Board is ultimately responsible for deciding the nature and extent of the risks it is prepared to take to meet its strategic objectives. To enable the Board to do this, the Company must have an appropriate risk management framework to identify and manage risk on an ongoing basis.

This policy sets out the Company's approach to risk management and the resources and processes dedicated to risk management.

Managing risk is the responsibility of everyone in the Company.

2. WHO THIS POLICY APPLIES TO

All directors, officers and employees of the Company must comply with this policy.

3. RISK APPETITE

The Board is responsible for deciding the nature and extent of the risks it is prepared to take to meet its objectives (risk appetite). The Company is relatively risk averse and its risk management framework is designed to ensure that risk is understood and avoided or managed.

4. ENTERPRISE RISK MANAGEMENT FRAMEWORK

The framework adopted references the Australian/New Zealand Standard AS/NZS ISO 31000:2018 Risk management – Guidelines and involves:

(a) Risk identification

The risks faced by the Company will be identified and documented in a risk register. Risk identification will be undertaken as part of the Company's strategic planning and budgeting process and may be carried out through a workshop with management and potentially Audit and Risk Committee, facilitated by an external service provider or by a member of management.

(b) Risk analysis

Once the list of risks is agreed on by management and the Board, and reviewed by the Audit and Risk Committee, the risks will be analysed by determining consequences of the risks eventuating and their likelihood. Existing risk controls should be taken into account when considering how likely the risk event is to occur and the impact/consequences it will have on the business.

Risk prioritisation will be undertaken at the same time as risk identification and will be considered in light of a risk matrix, as documented in Argosy Enterprise Risk Framework.

(c) Risk evaluation

Prioritised risk should be compared with the risk appetite established by the Board. The output of this process will be a prioritised list of risks for further action.

(d) Risk treatment

Where the level of risk is above the desired level, the Managing Director and Risk Owner will develop and execute an action plan. When selecting the way a risk will be treated, the Company will consider the values and perceptions of stakeholders and the most appropriate ways to communicate with them.

(e) Monitoring and review

The risk register will be reviewed, and if required, updated, on at least a half yearly basis, or more often if required.

Risk Management is a standing agenda item at each Audit and Risk Committee meeting.

The Enterprise Risk Management Framework will be monitored and reviewed by the Audit and Risk Committee as set out in the Audit and Risk Committee Charter through the risk activities outlined in Company Document AGY-RA-SCH-0001 Risk Management Schedule of Activities. However, the Board may request independent verification in relation to all or some of the risk management framework or individual controls, via internal or external means.

(f) Documentation

The risk management framework and processes will be documented.

5. RISK MANAGEMENT ACTIVITIES, ROLES AND RESPONSIBILITY

The Company's annual risk management schedule of activities as well as roles and responsibilities is documented as found on Argosy Management System.

6. REVIEW

The Company's risk management framework is evolving. It is an on-going process and it is recognised that the level and extent of the risk management framework will evolve commensurate with the development and growth of the Company's activities. This will include an annual review of this policy and framework by the Audit and Risk Committee.