



RISK MANAGEMENT POLICY

TABLE OF CONTENTS		PAGE
1.	BACKGROUND	3
2.	MATERIAL BUSINESS RISK	3
3.	RISK TOLERANCE	4
4.	OUTLINE OF ARTEMIS RESOURCE LIMITED'S RISK MANAGEMENT POLICY	5
5.	RISK MANAGEMENT ROLES AND RESPONSIBILITIES	6
6.	RISK REGISTER	10

Artemis Resources Limited – Risk Management Policy

1. BACKGROUND

Principle 7 of the ASX Corporate Governance Council *Corporate Governance Principles and Recommendations (Principles)* provides as follows:

Principle 7: Recognise and manage risk

- 7.1 *The board of a listed entity should:*
- a) *have a risk committee; or*
 - b) *if it does not have a risk committee, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*
- 7.2 *The board or a committee of the board should:*
- a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*
 - b) *disclose in relation to each reporting period, whether such a review has taken place.*
- 7.3 *A listed entity should disclose:*
- a) *if it has an internal audit function, how the function is structured and what role it performs; or*
 - b) *if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*
- 7.4 *A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if it does, how it manages or intends to manage those risks.*

This policy has been developed to document the policy and processes adopted by the board of the Company to ensure compliance with the Principles and to recognise and manage the risks faced by the Company.

The board of the Company is committed to the effective identification and management of the risks which affect its operations and business.

2. MATERIAL BUSINESS RISKS

Risks relate to future events or situations that provide opportunities to create an exposure for the Company.

Risks are not absolute but represent a degree of probability or chance that they may or may not occur. While all risks need to be understood and managed, this policy focuses specifically on risks that may have a material impact on the Company (material business risk). In other words, risks that could have an adverse impact on shareholder value and the legitimate interests of other stakeholders.

Material business risks should not be seen purely from the financial perspective. Material business risks may also have significant human, reputational as well as financial impact.

Under Recommendation 7.4 of the Principles:

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

In this context, “material exposure” means a real possibility that the risk in question could substantively impact the listed entity’s ability to create or preserve value for security holders over the short, medium or long term. In particular:

- economic sustainability means the ability of a listed entity to continue operating at a particular level of economic production over the long term;
- environmental sustainability means the ability of a listed entity to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long term; and
- social sustainability means the ability of a listed entity to continue operating in a manner that meets accepted social norms and needs over the long term.

3. RISK TOLERANCE

As a guide to establishing Artemis' tolerance for risk the Board has completed the following "Risk Tolerance Assessment".

	TRUE	FALSE	UNSURE
Artemis is eager to be innovative and to choose options offering potentially higher business rewards despite greater risks		✓	
Artemis is prepared to invest for the best possible reward and accept the possibility of financial loss	✓		
Artemis views new technology as a key enabler of operational delivery	✓		
Artemis has high levels of devolved authority – management by trust rather than tight control		✓	
Artemis is only willing to allocate limited resources to risk mitigation		✓	
Artemis has a tolerance for making decisions that are likely to bring scrutiny and attention of external stakeholders but where potential benefits outweigh the risks	✓		
Artemis' shareholders are capable of tolerating increasing general risk as part of generating additional shareholder value	✓		
Artemis' shareholders are capable of tolerating increasing exploration risk, because that is the nature of Artemis' business, as part of generating additional shareholder value	✓		

Artemis' own assessment for tolerating risk indicates that the Company is relatively risk averse and therefore should have good risk management processes in place to ensure material business risks are understood and avoided or managed.

4. RISK MANAGEMENT POLICY

Purpose

This policy has been developed to document the policy and processes adopted by Artemis to recognise and manage the risks faced by the Company to enable it to operate its business in such a way as to minimise the risk of causing harm to its staff and other stakeholders and to mitigate economic, environmental and social sustainability impacts. Artemis will use this policy as a basis to inform all stakeholders of its performance in managing its identified material business risks.

Scope

The policy addresses all exploration, operational and corporate activities carried out by Artemis and its subsidiary companies. This policy applies to all directors, employees, contractors and consultants of the Company.

Policy

The key elements of Artemis' risk management policy are:

- Artemis will incorporate risk management into its decision making and business planning processes so that risks are identified, analysed, ranked and appropriate risk controls and risk management plans are put into place to manage and reduce the identified risks, with all identified risks entered into a Risk Register.
- All of Artemis' operational tasks are subject to formal risk assessment before a new task is undertaken, a new investment is made or a new work location is opened.
- The risk identification and management system, including the Risk Register, will be reviewed annually by senior management and policies and practices upgraded where issues are identified that require attention. Reviews of specific items will be undertaken where issues are identified and immediate action is required.
- Risk will be a standing item on the agenda of board meetings, for reporting against material business risks.
- Artemis will ensure that all staff are properly trained in assessing and mitigating risks.

Procedures

Risk Strategy and Risk Tolerance

Artemis' business is the exploration for minerals in Australia and the Company recognises that there are inherent risks associated with its activities and failure to make significant progress in discovering new mineral deposits. Artemis will apply resources to ensure that an adequate number of suitably qualified staff are employed, technical skills are developed, appropriate equipment is provided and that appropriate exploration procedures are carried out to enhance the potential for making discoveries and to ensure compliance with its legal and other obligations.

To support its operations Artemis recognises that there are several areas where potential material business risks could arise and accordingly strong risk management processes have been and will continue to be put in place.

Risk Management Requirements

Risk management is a focus in all of Artemis' activities and risks will be identified and assessed and appropriate mitigation strategies will be put in place. The Risk Register and Risk Management Plans and controls will be reviewed at regular intervals and modified to take into account changes in the risks or better information as it comes to hand.

Assurance

Artemis will review the effectiveness of its risk management processes annually and if deemed necessary will engage an external reviewer to facilitate that review.

External audit will provide an opinion on the accuracy and fairness of the Company's annual financial statements. In doing so, they will independently assess the management of significant risks and key internal control systems over financial reports.

Review

Artemis' risk policy and risk register will be reviewed by the Board of Directors annually to coincide with the preparation and lodgement of the Company's Annual Accounts.

5. RISK MANAGEMENT ROLES AND RESPONSIBILITIES

The list below identifies accountabilities and responsibilities for managing risks in Artemis:

Board of Directors

- Champion Artemis' governance and risk management processes;
- Determine Artemis' risk tolerance;
- Oversee the risk management framework and ensure it is implemented and adopted;
- Review and approve Artemis' list of material business risks (risk profile) and risk management controls and plans and monitor the implementation of the risk management program against the endorsed implementation strategy;
- Confirm that Artemis' risk management process is continually maturing to reflect the changing environment and allows Artemis to identify and respond to emerging issues and risks;
- Receive reports from management on material business risks; and
- Publicly report and make necessary disclosures relating to risk as required by Principle 7.

Executive Directors and Senior Management

- Develop Artemis' strategic risk profile by identifying and prioritising material business risks;
- Review Artemis' risk profile periodically;
- Review and assess the current and planned approach to managing material business risks;
- Review and monitor the status of risk treatment/mitigation strategies;
- Periodically report on material business risks to the Board; and
- Ensure the risk management framework is implemented across the different areas of operations.

Supervisors

- Monitor the material business risks for their areas of responsibility;
- Provide suitable information on implemented treatment/mitigation strategies to senior management to support ongoing reporting to the Board; and
- Ensure staff are adopting Artemis’ risk management framework as developed and intended.

Individual Staff

- Recognise, communicate and respond to expected, emerging or changing material business risks;
- Contribute to the process of development of Artemis’ risk profile; and
- Implement treatment strategies within their area of responsibility.

6. RISK ASSESSMENT

The chart below sets out the general model for assessing risk. The horizontal axis sets out the consequences of any event. Similarly on the vertical axis the likelihood of an event occurring is ranked. Risks that are rated as Medium or above will be reported as material business risks.

Artemis’ self-assessed tolerance for risk means that it aims to manage risk by having all identified events in the green zones of the chart and will endeavour to achieve that by putting in place controls to manage and/or modify each identified risk.

Artemis’ main method of control is the use of its Site Safety Management Plan for its operational activities and that requires a job assessment for each new task using the risk management process as a tool.

Risk Criteria	Commentary
Extreme (Intolerable)	If the risk level description is Extreme, it is considered to be unacceptable. If an extreme risk remains, once all controls / barriers have been identified, including future risk mitigation action steps to be implemented, then the risk SHOULD NOT be undertaken. i.e. the targeted risk level, post identified treatment actions required, should be reduced from Extreme.
High (generally intolerable)	A risk defined as High is generally considered to be intolerable. Risks in this range generally reflect a high consequence. There may be circumstances where a High risk activity is undertaken SUBJECT TO BOARD AUTHORISATION. Critical controls for tolerable risks MUST be subject to high levels of management testing and monitoring.
Medium (tolerable)	A risk defined as Medium is considered to be tolerable. Although these risks are in the tolerable range, efforts must still be made to reduce them if practicable.
Low (Tolerable)	A Low risk activity is broadly acceptable. However this does not necessarily preclude the initiation of improvements if they are economic, readily identified and practicable.

The Risk Matrix for assessing risks is set out below:

Consequence						
		Catastrophic A	Major B	Severe C	Significant D	Minor E
People		Multiple fatalities	Single fatality	Major Injury or illness / permanent disability	Minor injury illness. Expected to make full recovery	Slight injury. First aid or no treatment required
Environmental		Effects wide spread; viability of ecosystems or species affected; permanent major change.	Major offsite impact; long term severe effects or rectification difficult;	Localised (<1 ha) & short term (<2 yr) effects. Any offsite. Easily rectified	Effect very localised (<0.1 ha). Onsite. Very short term impact. (weeks) Minimal rectification	No effects; minor on site effects rectified immediately with negligible residual effect
Reputation / Regulatory		Continuous national & / or international coverage, major regulatory restrictions imposed	National press coverage , regulatory investigation possible loss of licence	Local media coverage. Reportable to regulator	Managed locally, some external awareness.	Issue resolved in day to day management. No media coverage.
Financial		Loss may exceed A\$1 million	Maximum between A\$500,000 and A\$100,000	Max loss less than A\$100,000	Max loss less than A\$10,000	Loss less than \$1,000
Likelihood						
Almost Certain 5	Expected to occur once per year or more	Extreme	Extreme	High	Medium	Medium
Occasional 4	May occur occasionally during the life of a project or operation	Extreme	High	High	Medium	Low
Unlikely 3	Unlikely to occur during the life of a project or operation, but possible	High	High	Medium	Medium	Low
Remote 2	Not anticipated for a project or operation	Medium	Medium	Medium	Low	Low
Hypothetical 1	Theoretically possible but has not occurred at a similar project or operation	Medium	Low	Low	Low	Low

7. RISK REGISTER

Artemis has developed a risk register which sets out details of identified material business risks and the current controls to manage risk along with proposed further actions that need to be taken to manage all identified risks to levels that are acceptable to Artemis' tolerance for risk.

The entire risk register will be reviewed annually by the Artemis board and specific events and treatments will be reviewed as required either in response to particular circumstances or as a new event is identified.

8. QUESTIONS

If you have any questions arising from this Policy please contact the Company Secretary.

Approved by the Board