

SUMMARY OF RISK MANAGEMENT POLICY

CAZALY RESOURCES LIMITED ("COMPANY")

The Board has adopted a Risk Management Policy. Under the Policy, the Board delegates day-to-day management of risk to the Managing Director (or equivalent). The Policy sets out the role of the Managing Director (or equivalent) and accountabilities. It also contains the Company's risk profile and describes some of the policies and practices the Company have in place to manage specific business risks.

The Managing Director is required to report on the progress of, and on all matters associated with, risk management on a regular basis. The Managing Director is to report to the Board as to the effectiveness of the Company's management of its material business risks at least annually.

The Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself at least annually that management has developed and implemented a sound system of risk management and internal control.

The Board also receives a written assurance from the Managing Director (or equivalent) and the Chief Financial Officer that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

The Company is vested in being a sound corporate citizen.

This Policy will be reviewed by the Board on an annual basis.

For and on behalf of the Board

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