

RISK MANAGEMENT POLICY

1. PURPOSE

The purpose of this Risk Management Policy is to promote effective risk management principals and processes within Lincoln Minerals Limited (Company).

These principals are to;

- (a) to manage risks in a balanced way recognising that risk management is an essential element of good corporate governance, as it improves decision making and enhances outcomes and accountability;
- (b) adopts an enterprise-wide approach to risk management. The oversight and internal controls described in this Policy are integrated with the activities of each part of the Company;
- (c) reflect the Australian Standard on Risk Management (AS/NZS ISO 31000: 2009) which provides the overall framework for risk management of the Company.

2. POLICY

At Lincoln Minerals Limited, the identification and management of risk is fundamental to achieving the Company's objective of delivering value for shareholders.

- (a) The Company adopts an active approach to risk management which recognises that the Company takes certain usual business, entrepreneurial and operational risks.
- (b) The Company has a risk management system that identifies, assesses, monitors and manages the internal and external risks that affect the business in accordance with a set of core risk management principles.
- (c) This policy is a key element of the Company's Risk Management Framework ('the Framework'). The Company's Risk Management System supports an integrated and systematic approach to managing risk.
- (d) The purpose of the Risk Management Policy is to ensure that:
 - i. appropriate systems are in place to identify, analyse and evaluate foreseeable risks associated with the Company's operations and strategies in accordance with the Framework;
 - ii. risk mitigation and treatment plans are developed and implemented; and
 - iii. there is an internal review and reporting of risk management updates and incidents.

3. SCOPE

3.1. This policy covers all risks that could have a material impact on the Company, including but not limited to:

- (a) Core Business risk;
- (b) Strategic risk;
- (c) Financial risk;
- (d) Operational risk;
- (e) Environmental risk;
- (f) Reputational risk;
- (g) Legal and Contractual risk; and
- (h) Governance risk.

3.2. Risk management is incorporated in all aspects of the Company's Corporate Governance, and it is the responsibility of all Company staff to ensure that these risk management principles and practices are to be integrated both within and across all organisational and operational areas.

4. PRINCIPLES

The broad principles under which the Company's Risk Management Policy operates are set out below:

- (a) The Board will determine the risk appetite for the company;
- (b) All employees have the responsibility to identify and proactively manage risks associated with their role;
- (c) Risk management creates value whilst minimising risk of loss and contributes to the demonstrable achievement of objectives;
- (d) Risk management improves strategic planning and is dynamic, iterative and responsive, and enhances the Company's capacity to respond quickly and effectively to an everchanging business environment.
- (e) Risk management improves stakeholder confidence and trust through effective consideration, management and transparent reporting of all material risks;
- (f) All material risks within the Company are identified, and the risk owners confirm that they have the skills, authority and resources to manage the risk;
- (g) Risk management enables prioritisation of the risks facing the business, promotes informed decision making and ensures that appropriate actions are taken to deliver growth, and increased productivity and competitiveness; and
- (h) Risk management explicitly addresses uncertainty and deals with those aspects of decision making that are uncertain, the nature of the uncertainty and how it can be addressed in a systematic, structured and timely manner.

5. PROCESS

The Company has adopted the risk management process described in the Australia/New Zealand standard (AS/NZS ISO 31000:2009 Risk management – principles and guidelines). All risk management systems must be consistent with the process set out in the Framework.

This approach enables risks to be balanced against appropriate rewards and reflects the Company's vision, strategy, processes, people, culture, technology and governance.

This approach gives the Board assurance that:

- (a) Processes are in place to identify material risks;
- (b) Processes are in place to assess the impact of the risk;
- (c) Material and potential risks are being treated according to the risk appetite set by the Board, by being managed, mitigated or accepted;
- (d) Monitoring processes are in place to ensure no significant risks will be overlooked;
- (e) Identified risks are prioritised; and
- (f) Monitoring and review processes are in place to ensure the effectiveness of the Risk Management System and Risk Management Process.

6. ROLES AND RESPONSIBILITIES

6.1. BOARD

The Board is responsible for the Company's governance and risk management processes. The Board will determine the Company's risk appetite and tolerance to this appetite. The Board will satisfy itself annually that Management has developed and implemented an effective risk management framework. Detailed work is delegated to the Audit and Risk Committee and reviewed by the full Board.

6.2. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has responsibility for the oversight of risk management framework which has been delegated to it by the Board. The Audit and Risk Committee oversees monitoring of risks, risk management and compliance undertaken by Management. In consultation with the

CEO and senior executives, the Audit and Risk Committee will regularly review the effectiveness of the Risk Management System and report its findings to the Board.

6.3. SENIOR EXECUTIVES

The CEO and senior executives responsible for periodically reviewing the group's risk profile, ensuring a risk-aware culture and reporting to the Audit and Risk Management Committee on the effectiveness of the Framework and the management and reporting of material business risks.

At each reporting period, the chief executive officer and/or chief financial officer are to certify to the Board that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial conditions and operational results of the Company (and the controlled entities) at that date and compliance with relevant accounting standards.

The Board receives half-year and full-year declarations from Senior Management that the Company's risk management and internal compliance and control systems were, at that date, operating efficiently and effectively in all material respects.

6.4. MANAGERS AND SUPERVISORS

Managers and supervisors as the first line of defence are responsible for the effective identification, management, reporting and treatment of risk within their areas of responsibility. They are also responsible for developing and supporting a risk aware culture.

6.5. STAFF

All staff have a significant role in the management of risk within their area of influence. All staff are responsible and accountable for adhering to the principles outlined in this Policy.

FURTHER INFORMATION AND SUPPORT

The Company encourages open communication and dialogue regarding this Policy and any matters which may arise in connection with it.

If you have any questions regarding this Policy or would like further information regarding the processes outlined in this Policy, please contact your relevant manager or:

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This Policy was reviewed by the Board in August 2024