Risk Management Framework

1. Purpose

Regis Resources uses a risk management framework to deliver effective risk management as a core element to achieve an excellent standard of performance in all its business activities.

2. Objectives and Strategy

The Board develops the Company's objectives and strategy and develops the tolerance for risk to achieve them. The Board determines the Company's "risk appetite" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The risk appetite is operationalised through the Risk Assessment Matrix that sets risk tolerances for the key strategic risk categories being financial, health and safety, environmental, community, legal and operational risks. The Board has also developed a Delegations Matrix to the Managing Director and CEO for delegated risks.

3. Risk Governance

The following committees have been established to assist the Board generally in internal control and business risk management:

- Risk, Safety, Environment and Community (RSEC) Committee
- Audit Committee; and
- Remuneration, Nomination and Diversity Committee.

The Board has delegated to the RSEC Committee responsibility for monitoring the Company's risk management systems and reporting on its assessment of the effectiveness of such systems to the Board on a regular basis.

The RSEC Committee and the Audit Committee will have oversight of all risks and their controls within the committee mandates as set out in their respective Committee Charters.. When appropriate the Audit Committee will report to the RSEC Committee on any specific risk issue.

The RSEC Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- annually submit a report on its assessment of the Company's risk management systems, practices and procedures in terms of effective risk identification and management and compliance with internal guidelines and external requirements;
- assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

Responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to Management. Management is required to assess risk management and associated internal compliance and control procedures and report back at least annually on this specific matter to the RSEC Committee. Management operate within the delegated authority of the Board as set out in the Delegation Matrix.

4. Assessment and Management of Risk

Comprehensive practises are in place that are directed towards achieving the following objectives:

- compliance with applicable laws and regulations including, Australian Standards, Australian Accounting Standards, ASX Corporate Governance Principles and ASIC guidance;
- preparation of reliable published financial information; and
- implementation of risk mitigation strategies where appropriate e.g. insurance.

The Risk Management Procedure sets out:

- hazard and risk identification tools and techniques;
- the process of assessing and monitoring risk at an operational level including initial assessment of level of risk and the processes undertaken to assess and manage risks in the operational environment and in the planning process;
- risk tolerance and risk treatment processes;
- implementation and management of controls;
- acceptability of residual risks;
- process to ensure adequacy and confidence in implemented controls;
- review and reporting framework to management and the Board;
- communication requirements across the business to create a risk management and safety culture; and
- maintenance and management of the Risk Register.

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