

## Risk Management Policy

Risk management is a complex and critical component of Sarama Resources Ltd. (**Company**) governance, the Board will oversee and guide the detail of risk management. The MD and CEO is charged with implementing appropriate risk management protocols within the Company. Aspects of this process may be delegated. Risk management is considered a key governance and management process and the primary objectives of the risk management system at the Company are to ensure:

1. all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
2. business decisions throughout the Company appropriately balance the risk and reward trade off;
3. regulatory compliance and integrity in reporting are achieved; and
4. senior management, the Board and investors understand the risk profile of the Company.

In line with these objectives, risk management protocols cover operational risk, financial reporting and compliance.

The Board reviews all major strategies and acquisitions for their impact on the risk facing the Company and makes appropriate recommendations. The Company also undertakes a review of operating risk profile in conjunction with the strategic planning process and discloses in each reporting period what the material risks to the business are. Where required the Company has in place necessary risk mitigation and management protocols that are dynamic and reviewed as and when required.

The MD/CEO and CFO provide written certification as to:

- their review of financial statements, management's discussion and analysis and the annual information form,
- the lack of misrepresentations therein,
- the fair presentation of financial statements, and
- disclosure controls and procedures and internal control over financial reporting and their assessment thereof,

all as required by Canadian National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.

In addition, Recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations requires that the MD/CEO and CFO will provide a written declaration of assurance in their opinion, that the financial records of the Company for any financial period have been properly maintained, comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company,

has been formed on the basis of a sound system of risk management and internal control which is operating effectively.