

INTEGRATING RISK AND OPPORTUNITY INTO BUSINESS PROCESS

Vertex Minerals Limited (VTX) is aware that by integrating risk into our strategic plan, we will improve organisational decision making while increasing our agility in the face of threats and opportunities.

VTX is including ESG considerations in all our risk and opportunity management. We are aware that there are wider emerging, non-traditional factors that companies must include when scoping material business risks and opportunities. The VTX Board is looking beyond traditional risks and opportunities and is assessing opportunities through an ESG lens at our exploration and mining sites. Environmental monitoring and data stewardship is an ongoing contributor to the shaping of multiple project plans.

MANAGING AND DISCLOSING COMPANY-SPECIFIC AND ESG RISKS AND OPPORTUNITIES

The Board's insight and regular oversight of emerging risks helps determine the Company's "risk profile" and the Board is responsible for establishing, overseeing and approving the Company's risk management framework, strategy and policies, internal compliance and internal control.

The Board has delegated to the audit and risk committee responsibility for implementing the risk management system and it encourages proactive considerations beyond traditional risks and the identification of emerging ESG issues. The audit and risk committee submits particular matters to the Board for its approval or review. The role of the audit and risk committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. Our Audit & Risk Committee Charter sets risk parameters and defines the audit and risk committee's function, composition, mode of operation, authority, and responsibilities. The ESG Policy, Audit & Risk Committee Charter, Risk Management Policy, Shareholder Communication and other policies listed below inform the VTX Board in its risk management guidance and disclosure.

Among other things the committee oversees and reviews the Company's risk management framework, systems, practices and procedures to ensure effective risk identification and management and compliance with the risk appetite set by the Board, internal guidelines and external requirements; assists management to assess material exposure to environmental or social risks (as those terms are defined in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 4th Edition (Recommendations)).

The committee advises on how to manage those risks, report the basis for any determinations to the Board, and where appropriate benchmark the Company's environmental or social risk profile against its peers, consider whether the Company has a material exposure to climate change risk, assist management to determine the key risks to the businesses and prioritise work to manage those risks and also assess whether the Company is required to publish an integrated report or a sustainability report (as those terms are defined in the Recommendations in accordance with a recognised international standard); and review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes: (a) identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks; (b) formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and (c) monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that are directed towards achieving the following objectives: (a) compliance with applicable laws and regulations; (b) preparation of reliable published financial information; (c) verifying the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, to satisfy the Board that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions; and (d) implementation of risk transfer strategies where appropriate eg insurance.

The 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, at least annually, to the audit and risk committee.

The Board will review assessments of the effectiveness of risk management and internal compliance and control at least annually. The Company must disclose at least annually whether the Board (or a committee of the Board) has completed a review of the Company's risk management framework to satisfy itself that the framework: (a) continues to be sound; (b) ensures that the Company is operating with due regard to the risk appetite set by the Board; and (c) deals adequately with contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

Related VTX policies:

- Corporate Governance Plan, Schedule 01, Board Charter, 2021
- Corporate Governance Plan, Schedule 02, Corporate Code of Conduct, 2021
- Corporate Governance Plan, Schedule 03, Audit & Risk Committee Charter, 2021
- Corporate Governance Plan, Schedule 08, Continuous Disclosure Policy, 2021
- Corporate Governance Plan, Schedule 09, Risk Management Policy, 2021
- Corporate Governance Plan, Schedule 10, Trading Policy, 2021
- Corporate Governance Plan, Schedule 14, Shareholder Communication Policy, 2021
- Corporate Governance Plan, Schedule 15, ESG Policy, 2021
- Corporate Governance Statement, 2021

Sources:

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Vertex Minerals Limited

Corporate Governance Plan

<https://vertexminerals.com/wp-content/uploads/2021/10/Corporate-Governance-Plan-VTX2806539.2.pdf>

Corporate Governance Statement

<https://vertexminerals.com/wp-content/uploads/2021/10/Corporate-Governance-Statement-VTX2806535.2.pdf>