

Mundo Minerals Limited

Corporate Governance

POLICY ON RISK MANAGEMENT

The Board is responsible for the oversight of the Group's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Group, with the Executive Directors and Chief Financial Officer having ultimate responsibility to the Board for the risk management and control framework.

The Executive Directors, with the assistance of senior management, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management

The Company's process of risk management includes:

- identifying risks that might impact upon the achievement of the Company's goals and objectives and identifying and monitoring emerging factors and trends that influence these risks;
- formulating risk management strategies to manage those risks;
- designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of and continuously improving the effectiveness of risk management systems and internal controls.

The risk profile of the Company contains both financial and non-financial factors including material risks arising from mineral exploration and extraction activities, commodity price and currency movements, operational efficiency and investments in new projects.

To mitigate these risks, in addition to the process described above, the Company has in place an experienced Board, competent management in all disciplines, an effective management information system, annual financial audits and a rigorous appraisal and approval process for new investments.