RISK AND OPPORTUNITY MANAGEMENT POLICY

1. Introduction

Risk influences every aspect of the business of Novo Resources Corp. and its subsidiaries (the **Company**). Understanding the risks and opportunities faced by the Company and managing them appropriately can enhance its ability to make better decisions, deliver on objectives and subsequently improve performance.

The Company views the management of risks to its people, assets, the environment, its stakeholders, and all aspects of its operations as a fundamental responsibility. It is committed to upholding its corporate and legal obligations by implementing risk management practices that minimises risk and supports these responsibilities.

2. Objective

The Company has a risk management framework and associated activities aimed at delivering better outcomes for the Company's stakeholders and enabling the Company to effectively manage uncertainty and deliver better business outcomes while meeting corporate, stakeholder, and regulatory governance requirements.

This policy outlines the program implemented by the Company to ensure appropriate risk and opportunity management within its systems and culture.

3. Scope

This policy applies to all areas of the Company's operations without exclusion and to all directors, officers, employees, contractors, and suppliers of the Company.

4. Policy

To effectively manage risks and opportunities to achieve its business objectives, the Company intends to:

(a) identify and assess risks to its business objectives and understand how such risks influence performance;

(b) ensure that an appropriate risk management framework is in place and that this is aligned to its business strategy and that it evolves with its business;

(c) support the framework and strategy by maintaining an appropriate organisational structure and establishing associated responsibilities that are clearly defined and communicated at all levels of the business, including its control and accountability systems;

(d) ensure that risk information is communicated through a clear and robust reporting structure; and

(e) integrate ongoing risk management activities within the business.

5. Types of risk

5.1 Risk identification

In order to identify and assess material business risks, the Company defines risks and prepares risk profiles in light of its business plans and strategies. This involves applying a disciplined process to risk identification, risk assessment and analysis, risk treatment and monitoring and reporting.
The Group presently focusses on the following types of material risk:

(a) strategic risk;

(b) operational risk;

(c) regulatory risk;

(d) project risk; and

(e) social and environmental risk.

5.2 Strategic risk

Strategic risks are primarily risks caused by events that are external to the Company or risks at a Company level that have a significant impact on its strategic decisions or activities.
The causes of these risks include such things as national and global economies, government policies and regulations and interest rates. Often, they cannot be predicted or monitored through a systematic operational procedure. The lack of advance warning and frequent immediate response required to manage strategic risks means they are often best identified and monitored by senior management as part of their strategic planning and review mechanisms.
Accountability for managing strategic risks therefore rests with the Board and the Chief Executive Officer. The benefit of effectively managing strategic risks is being able to better forecast and quickly adapt to the changing demands that are placed upon the Company.

5.3 Operational risk

Operational risks are inherent in the ongoing activities within the different business units of the Company. These are the risks associated with such things as the day-to-day operational performance of staff, privacy requirements, data breaches and cyber security. Senior management needs ongoing assurance that appropriate efforts are being used to identify, assess and manage operational risks.
Accountability for managing operational risks rests particularly with the heads of business units.
The benefits of efficiently managing operational risks include maintaining superior quality standards, eliminating undesirable surprises, the early identification of problem issues and being prepared for emergencies if they happen.

5.4 Regulatory risk

Regulatory risks are risks associated with ensuring compliance with the various regulatory regimes which apply to the Company and the effect that a change in law or regulations may have. Failure to comply with any regulatory requirements, or appropriately respond to any changes, could adversely impact the Company's reputation and financial performance.
Accountability for monitoring and managing regulatory risk rests with the Board and the Chief Executive Officer. Effectively and proactively managing regulatory risk is essential to ensuring that

the Company conducts its business in accordance with the law and is well positioned to adapt to regulatory changes that may occur.

5.5 Project risk

Project risks are risks associated with projects that are of a specific, normally short-term nature and are frequently associated with acquisitions, change management and integration projects. An effective strategy for managing project risks is to develop a set of key criteria to manage the significant risks that are common within most projects. This approach assists project managers with the identification of the risks inherent in individual projects.

Project sponsors are accountable for the achievement of project deliverables and outcomes. However, specific risks associated with project management are normally delegated to project managers for their attention. Included among the benefits of efficiently managing project risks are the avoidance of unexpected time and cost overruns. Additionally, when project risks are well managed there are fewer integration problems with assimilating required changes back into general management functions.

5.6 Social and environmental risk

Social and environmental risks are inherent in the operation of any business, and the nature and extent of any such risks are determined by the impact that a business' operations have on the wider community and environment.

Accountability for assessing and managing any social or environmental risks rests with the Board and the Chief Executive Officer. It is important to execute a strategy to assess and manage such risks to create long term value for the Company's stakeholders, provide a positive impact in the community and minimise any environmental footprint.

6. Responsibilities

6.1 The Board

The Board is ultimately responsible for assessing the Company's risk management efforts and for communicating the requirements of this policy. The Board is required to oversee the establishment and implementation of the Company's risk management framework and review the effectiveness of that system.

The Board will attempt to satisfy itself that significant risks faced by the Company are being managed appropriately and that the system of risk management within the Company is robust enough to respond to changes in its business environment. The Board will also attempt to ensure that there is an appropriate organisation and reporting structure in place to support the delivery of this policy on an ongoing basis.

6.2 Audit, Risk, and Corporate Governance Committee

The Audit, Risk, and Corporate Governance Committee (the **Committee**) will have responsibilities in relation to risk management as set out in the Committee Charter. The Committee is responsible for establishing, monitoring and evaluating the Company's risk management and internal control systems and processes and provides regular reports to the Board on these matters.

6.3 Business units

Each business unit is responsible for the identification, assessment, control, reporting and ongoing monitoring of risks within its own responsibility. Business units are responsible for implementing the requirements of this policy and for providing assurance to the Board that they have done so. The business unit, where considered appropriate, may enhance its own organisational structure provided that such enhancements further assist the achievement of the objectives of this policy.

6.4 Management

Management is responsible for identifying and evaluating risks within their area of responsibility, implementing agreed actions to manage risk and for reporting as well as monitoring any activity or circumstance that may give rise to new or changed risks.

6.5 Employees, Contractors, and Suppliers

All employees, contractors, and suppliers have a general duty of care and are responsible for complying with requests from management in connection with the application of this policy. Through appropriate preventative action, all reasonable care should be taken to manage events that have the potential to prevent the Company from achieving its objectives and to ensure that the Company's operations, assets and reputation are safeguarded.

7. Further information

Any person who has questions about this policy, or who requires further information, should contact the Corporate Secretary.

8. Review of this policy

The Company regularly evaluates the effectiveness of its risk management systems and framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis.

The Board will review this Policy annually and this Policy may be amended by resolution of the Board. This Policy has been approved by the Board on 1 June 2023.