

RISK MANAGEMENT POLICY

A INTRODUCTION

Mirabela Nickel Limited (Company) regards business risks as threats to the achievement of its various strategies, objectives and goals. The Company's risk management system covers all policies, processes, practices and procedures established by management and/or the Board to provide reasonable assurance that:

- established corporate and business strategies and objectives are met;
- risks are identified, assessed and adequately monitored and managed;
- significant financial, managerial and operating information is accurate, relevant, timely and reliable;
- material changes to the Company's risk management profile are promptly identified; and
- policies, standards, procedures and applicable laws, regulations and licences are complied with

B RESPONSIBILITY FOR RISK MANAGEMENT

1. Role of the Board

Risk management is a core function of the Board. The Board is responsible for reviewing and approving processes for the identification, assessment, reporting and management of risks and reviewing and approving procedures for the maintenance and monitoring of these processes.

On a quarterly basis the Board will assess the significant business risks applicable to the Company and its ongoing operations. Additionally, the Board will review the Company's risk profile and the effectiveness of the implementation of the risk management and internal control system annually as part of its strategic planning and budget planning.

2. Role of Senior Management

The Managing Director (MD) and the Company's Chief Financial Officer (CFO) are responsible for:

- (a) developing appropriate systems and assessment procedures for the identification, assessment, reporting and management of risks;
- (b) ensuring that appropriate systems and processes for the identification, assessment, reporting and management of risks (including internal control and management information systems) are implemented;
- (c) assisting senior management and Board in the effective discharge of their responsibilities with regard to the Company's risk management and internal control environment;
- (d) at appropriate intervals, determining the efficiency and effectiveness of the Company's risk management processes including its system of internal accounting and operating controls and identifying opportunities to improve operating performance;
- (e) at appropriate intervals, determining if the Company is managing risks in a manner consistent with the Company's objectives; and
- (f) ensuring that regular reports are presented to the Board and/or audit committee as to the performance of the Company's risk control processes.

Other senior executives, including the Company Secretary, are responsible for managing risk within those areas under their control, including dissemination of the risk management process to operational managers.

Collectively, senior management is responsible for:

- (a) identifying strategic risks that impact upon the Company's business;
- (b) assessing and prioritising risks;
- (c) developing, implementing and maintaining strategic risk (including internal control and management information systems) management plans;
- (d) reviewing the effectiveness of the Company's procedures for the identification, assessment, reporting and management of risks and its system of internal accounting and operating controls; and
- (e) reporting to the Board on the management of the Company's material business risks.

3. Role of the Audit Committee

To assist the Board in discharging its responsibility in relation to risk management, the Board has delegated certain activities to the audit committee. The responsibilities of the audit committee are set out in its charter, which is available at www.mirabela.com.au.

In summary, the audit committee is responsible for monitoring and assessing the risk exposure of the Company for regulatory, systems & IT, business and operational risks through effective risk management strategies. It is also responsible for reviewing treasury policy and procedures, reviewing and approving hedging strategies, reviewing the adequacy of insurances and reviewing and ensuring compliance with occupational health and safety and environmental procedures.

C. FINANCIAL REPORTING

1. Integrity in Financial Reporting

The Company has established internal financial control systems to provide reasonable assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial reporting.

2. Role of Managing Director and Chief Financial Officer

The Managing Director and the Chief Financial Officer are required to report in writing to the Board annually that:

- (a) the consolidated financial statements of the Company and its controlled entities for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with applicable accounting standards;
- (b) the Company's financial reports are founded on a sound system of risk management and internal control; and
- (c) the Company's risk management system is operating effectively in all material respects in relation to financial reporting risks.