



Risk Management Policy

Sierra Nevada Gold Inc.

Adopted by the Board on 28 November 2021 to come into effect upon admission of the Company to the Official List of the Australian Securities Exchange.

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Risk Management Policy

of Sierra Nevada Gold Inc. (Nevada Number E017302011-7)

1. INTRODUCTION

Sierra Nevada Gold Inc. (“**SNG**” or “**Company**”) operates in a complex and constantly changing business environment where risk is encountered and managed as part of its day-to-day operations. Risk management is about understanding and managing a company’s risk environment and taking measures, where necessary, to ensure those risks are contained to acceptable levels. This document sets out a high level of the Company’s approach to managing the risk process.

2. PURPOSE

The purpose of this Risk Management Policy is to ensure the implementation of an effective Risk Management Framework (“**Framework**”) that is consistent with the Company achieving its policy and operating objectives. In doing so, it follows accepted standards and guidance for managing risk. Risk management is an integral part of the management function in the organisation and, as such, it is a clear responsibility of management. SNG is committed to ensuring that a consistent and integrated approach to managing risk is established and operated throughout the Company and is key to the organisation achieving its core objectives.

3. PROCESS

Risk appetite

SNG seeks to manage its risk profile carefully. The Board is ultimately responsible for the Company’s risk appetite and for ensuring that risk management processes have been established and are operating effectively, as well as ensuring that the Executive Chairman/Chief Executive Officer and the Executive Management Team manage and embed risk management practices throughout the Company. The Audit and Risk Committee is responsible for overseeing the Company’s ongoing risk management program including the Framework and any key supporting policies and procedures, and ensuring that risk management processes are maintained and operating effectively.

Framework for managing risk

The Framework endeavours to cover the full spectrum of risks faced by evaluating risk from both an enterprise and business perspective. This Framework comprises several important steps, and is based on principles contained in AS/NZ ISO 31000:2009 Risk Management Principles:

- Identifying and analysing the main risks facing the Company.
- Evaluating those risks – making judgements about whether they are acceptable or not.
- Implementing and documenting appropriately designed control systems to manage these risks.



- Treating unacceptable risks – formulating responses following the identification of unacceptable risks, including action plans to reduce the probability or consequences of an event occurring.
- Ongoing monitoring, communication, and review.

The risk management process outlined in the Framework includes risk assessment methodology with identification, analysis, evaluation and treatment in the following key areas:

- Strategic
- Business
- Operational
- Financial
- Technological
- Human resources
- Legal & Regulatory

4. COMMUNICATION

This document has been published on SNG's website. It is reviewed at least annually by management and the Audit and Risk Committee to ensure its effectiveness, continued application and relevance.

DATE OF POLICY: 28 November 2021