

Risk Management Policy

1. Scope

Greenland Minerals Limited (“**the Company**”) recognises that risk management is an integral part of operating its business and is a continuous process demanding awareness and proactive measures to reduce the occurrence and impact of risk events.

2. Purpose

The Company has established a Risk Management Policy (“**Policy**”) in order to:

- (a) provide a framework for identifying, assessing, monitoring and managing risk;
- (b) communicate the roles and accountabilities of participants in the risk management system; and
- (c) highlight the status of risks to which the Company is exposed, including any material changes to the Company’s risk profile.

3. Role and responsibilities

The Board is responsible for:

- (a) risk management and oversight of internal controls;
- (b) establishing procedures which provide assurance that business risks are identified, consistently assessed and adequately addressed; and
- (c) overseeing such procedures.

4. Risk management and internal control

The framework for the Company’s risk management policy and internal compliance include but are not limited to the following key elements:

- (a) Oversight of the Company’s financial affairs will be the responsibility of the Board.
- (b) All major project expenditure must first receive the approval of the Board.
- (c) The Company will adhere to a thorough due diligence process in relation to any proposed business relationship or project acquisition.
- (d) The approval of programmes for exploration and development. The Board will ensure that systems are in place to maintain effective title to exploration properties, and to fulfil all expenditure obligations.
- (e) Management will continuously monitor and manage issues related to politics, bureaucracy, non-government organisations, community attitudes, civil unrest, contractor and services availability, and adverse weather, which could endanger title or fulfilment of commitments.
- (f) The Company will monitor and manage all issues relating to occupational health and safety. All potential exposures to illness or injury will be managed.

- (g) The Board will ensure systems are in place to maintain compliance with regulatory and legal obligations of the Company.
- (h) The Company's computer systems will be regularly maintained for the protection of electronic records, including a comprehensive back-up routine involving off-site storage.

5. Risk analysis and evaluation

5.1. The Board

The Board will formulate a procedure for analysing and evaluating risk.

5.2. Senior management

A risk evaluation will be carried out by senior management and communicated to the Board before the proposal is approved. Proposals regarded as significant may include:

- major fundraising activities;
- new business relationships;
- new project acquisitions;
- major capital procurement; and
- out-sourcing, partnering or shared service arrangements of functions.

The risk evaluation will be a document presented to the Board that:

- (a) describes the internal and external risks;
- (b) evaluates the impact of the risks; and
- (c) includes any necessary risk management plan.

The risk management plan will identify each risk, define acceptable thresholds, and detail action to be taken in the event that these thresholds are exceeded. Similar risk management plans may be created for ongoing operations e.g. in a particular country or with a particular contractor.

6. Risk monitoring and review

If after consideration of the risk analysis the proposal is approved by the Board, senior management will monitor progress against the risk management plan and promptly report any material matters to the Board.

Monitoring the status of each risk and any necessary action plan relating to treatment of risk will take place on a regular basis. Any action or recommendations arising out of the review process will be implemented by management.

The board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

7. Insurance

The Company will maintain a comprehensive suite of insurance policies, including the following:

- (a) General insurance, office asset insurance and public liability insurance;
- (b) Worker's compensation
- (c) Travel insurance
- (d) Directors' and Officers' indemnity insurance (provided it can be procured at reasonable policy premiums); and
- (e) Liability insurance.

The Company's insurance policies are reviewed on an annual basis.

8. Industry risks

The mineral exploration and mining industry is subject to general risks and certain specific risks. The following is a non-exhaustive list of some of the risk factors the Company may face. Some of these risk factors can be mitigated by the use of appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated.

8.1. Regulatory risks

Adverse changes in government policies or legislation in Australia and Greenland including, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company.

8.2. Permitting risk

The Company's main exploration license is granted under the Greenland Minerals Act and subject to the terms and conditions of the license, that must be complied with to ensure the license remain in good standing. Obtaining the right to mine will require satisfying the various regulatory requirements in Greenland and obtaining an exploitation license from the Greenland authorities.

8.3. Environmental risk

The operations and activities of the Company in Greenland are subject to Greenland environmental laws and regulations. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company aims to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

8.4. Commodity prices

The Company's future revenue will depend upon demand and commodity prices for rare earth elements, uranium and zinc. The revenue derived will therefore be subject to fluctuations in these prices.

8.5. Exchange rate risk

The expenditure of the Company is and will be taken into account in Australian and Danish Kroner currencies, exposing the Company to the fluctuations and volatility of the rates of exchange between the Danish kroner and the Australian dollar as determined in international markets.

8.6. General economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. This includes but is not limited to financial market sentiment, securities market conditions and fluctuations, interest rate changes and global economic growth rates.

8.7. Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel and their geological experience and expertise. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment with the Company.

9. Further information

If you have any questions or need further information in relation to this Policy, please contact the Company Secretary.