

Brockman Mining Limited
(formerly Wah Nam International Holdings Limited)
(the "Company")

**RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE AND RISK
MANAGEMENT POLICY**

1. Introduction

Risk recognition and management are viewed by the Company as integral to the Company's objectives of creating and maintaining shareholder value, and to the successful execution of the Company's strategies.

The purpose of this Terms of Reference and Policy is to ensure that:

- (a) appropriate systems are in place to identify, to the extent reasonably practicable, all material risks that may impact the Company's business;
- (b) the financial impact of identified risks is understood, and appropriate internal control systems are in place to limit the Company's exposure to such risks;
- (c) appropriate responsibilities are delegated to control the identified risks effectively; and
- (d) any material changes to the Company's risk profile are disclosed in accordance with the Company's Continuous Disclosure Policy.

For the purpose of this Terms of Reference and Policy, risk is defined as possible outcomes that could materially adversely impact on the Company's financial performance, assets, reputation, people or the environment.

The Board is responsible for risk oversight and the management and internal control of the processes by which risk is considered for both ongoing operations and prospective actions. As a minimum, the Board is required to:

- oversee the establishment and implementation of the risk management system; and
- review the effectiveness of the Company's risk management system,

in relation to the processes, structures and culture established to identify, assess, treat and monitor risk to support the achievement of the Company's objectives.

In specific areas, the Board is assisted by the Audit Committee, the Health, Safety, Environment and Sustainability Committee ("HSES Committee") and Risk Management Committee. The Risk Management Committee is responsible for ensuring processes have been established by the Company's management which provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

Not all aspects of risk management can be formalised, and the Company places considerable reliance on the skill, experience and judgment of its people to take risk managed decisions within the Policy framework and to communicate openly on all risk related matters.

This Terms of Reference and Policy is made in compliance with Appendix 14 of the HKEx Listing Rules and the Australian Corporate Governance Principles and Recommendations established by the ASX Corporate Governance Council.

2. Identified business risks

There are a number of risks which are inherent to the business activities which the Company undertakes. These risks include:

- (a) the availability and cost of reserves replacement and recovery;
- (b) commercialisation of mineral reserves;
- (c) sovereign risk;
- (d) exposure to commodity prices and exchange rates;
- (e) production availability;
- (f) technical and project management competencies;
- (g) health, safety, environment and community risks; and
- (h) exposure to debt.

These risks may change over time as the external environment changes and as the Company expands its operations. The risk management process requires the Board to conduct regular reviews of the Company's existing risks and the identification of any new and emerging risks facing the Company, including financial and non-financial matters. It also requires the management (including mitigation where appropriate) of these risks.

3. Business risk management policies and practices

In order to properly identify and develop strategies and actions to manage business risks, the Company has put in place a business risk management framework based on the following key elements:

- a Risk Management Committee which meets periodically to identify and assess specific business risks. The Risk Management Committee should have experience in all of the Company's activities and should be conversant with the Company's business plans, objectives and values;
- an assessment of the potential impact of identified business risks and the likelihood of occurrence;
- a ranking of the business risk in accordance with the likely impact on the Company;
- an assessment of the acceptability of each identified risk;

- a consideration and decision on the proposed actions to eliminate, reduce or manage each material risk; and
- an assignment of the responsibilities for the management of each risk.

Risk management encompasses all areas of the Company's activities. Once a business risk is identified, the risk management processes and systems implemented by the Company are aimed at providing the necessary framework to enable the business risk to be managed.

Management has the key role of identifying risks and enabling processes for risk management. Senior management are required to report risks identified to the Risk Management Committee or Chief Executive Officer.

The Risk Management Committee will meet periodically to review and ensure that the Company has in place processes to assess and manage specific and general business risks and appropriate mitigation procedures where applicable.

The overall results of this assessment are presented to the Board, in oral and written form, at every Board meeting by the chairman of the Risk Management Committee, and updated as needed.

The Board reviews the Company's risk management at every Board meeting, and where required, makes improvements to its risk management and internal compliance and control systems.

4. Additional risk management policies and practices

In addition to the specific risk management process described in this Policy, the Company has the following procedures and practices which are designed to manage specific business risk:

- an insurance program which is reviewed by the Board;
- regular budgeting and financial reporting;
- the Company's business plan;
- corporate strategy guidelines and procedures to review and approve the Company's strategic plans;
- legal commitment and expenditure exceeding certain levels must be submitted to the Board for approval;
- procedures/controls to manage financial exposures and operational risks;
- procedures/controls to manage environmental and occupational health and safety matters;
- oversight of the Company's financial affairs by the Audit Committee;
- regular performance reporting enabling the identification of performance against targets and evaluation of trends;

- a Health, Safety, Environment and Sustainability Policy and management standards to ensure that the Company complies with its obligations and responsibilities in relation to health and safety, environmental issues, and the communities in which it operates; and
- ongoing training and development programmes.

Additionally, all significant areas of the Company's operations are subject to regular reporting to the Board, including exploration, development, finance, legal, marketing, safety, environment, government and investor relations.

5. Confirmation statement

The Chief Executive Officer and Financial Controller shall, prior to disclosing the Company's annual financial reports, provide a statement in writing to the Board that:

- (a) the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results, and are in accordance with the relevant accounting standards;
- (b) the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies established by the Board; and
- (c) the Company's risk management and internal control systems are operating efficiently and effectively in all material respects.

6. Risk Management Committee

6.1 Composition

The Board shall confirm the membership of the Risk Management Committee. The Risk Management Committee shall consist of members who have experience in all of the Company's activities and should be conversant with the Company's business plans, objectives and values. A member of the Risk Management Committee shall be appointed as chairman of the Risk Management Committee.

Members of the Risk Management Committee are appointed for an initial term of 3 years, or such other period as the Board shall determine, after which they are eligible for reappointment by rotation. The terms of the members is staggered so that to the extent practicable no more than one-third of the members of the Risk Management Committee shall stand for appointment in any given year. The chairman's term in the chair shall also be determined by the Board.

7. Meetings

The Risk Management Committee meets at least once a year. Additional meetings may occur as the Risk Management Committee or its chairman determines.

A quorum shall consist of a majority of Risk Management Committee members.

A formal agenda for each meeting will be distributed prior to the meeting by the Company Secretary, and will enable confirmation of minutes and satisfactory resolution of any matters arising from the previous meetings.

The Company Secretary keeps minutes of all of its proceedings and reports its actions to the next meeting of the Board.

The chairman or members of the Audit Committee and HSES Committee may attend meetings of the Risk Management Committee with the prior approval or upon the request of the chairman of the Risk Management Committee.

8. Reporting

The chairman of the Risk Management Committee will usually provide an oral report to the Board of any material matters arising out of the previous meetings of the Committee. The minutes of any meetings will be provided to the Board with its board papers for information. However, if the Risk Management Committee has met before a Board meeting but has not approved the minutes of that meeting or meetings, the draft minutes of the meeting or meetings will be approved by the chairman of the Risk Management Committee for provision to the Board.

9. Access to information

In the performance of its duties and responsibilities, the Risk Management Committee will have access to all information and records held by the Company.

10. Right to independent professional advice

The Risk Management Committee may also obtain independent professional advice at the Company's expense in connection with its duties and responsibilities.

If appropriate, any advice so received will be made available to all Directors.

10.1 Prior written approval of Chairman

Prior written approval of the Chairman of the Board is required before obtaining professional advice, but will not be withheld unreasonably.

10.2 Expenses

Expenses will be submitted to the Chairman of the Board (or, in his/her absence, the Company Secretary) for approval.

11. No rights created

This Terms of Reference and Policy is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations, the ASX Listing Rules and the HKEx Listing Rules, as well as in the context of the Company's Bye-laws, it is not intended to establish any legally binding obligations.

12. Review

The Board annually reviews the membership and Terms of Reference and Policy of the Risk Management Committee to determine its adequacy and effectiveness for current circumstances. The Risk Management Committee may make recommendations to the Board in relation to the Committee's membership, purpose and responsibilities.