

STRICKLAND METALS LIMITED

ABN 20 109 361 195

RISK MANAGEMENT POLICY

Introduction

The Company, through the Board, with the assistance of the Chairman, other Director(s) and senior management as the case may be, has responsibility for identifying, assessing, mitigating and monitoring risks and regularly reporting on risk management.

Risk Management Policy

The Company, through the Board is responsible for risk management policy, which covers organisational, financial and operational aspects of the Company's affairs.

Business Risk Management

The Board identifies the key business risks for the Company.

The Company manages its activities within budgets and operational and strategic plans. The Executive Chairman together with other management must work to safeguard assets and to ensure that business risks are identified and appropriately managed.

Internal Controls

The Board is responsible for the overall internal controls within the organisation, but recognises that no effective internal control system will necessarily preclude all errors or irregularities. The Board examines the adequacy of the nature, extent and effectiveness of the internal control processes of the Company and relies on regular reviews undertaken by external auditors and the declarations made by senior executives.

Financial Reporting

The Board must approve Company budgets and monthly actual results are reported against budget. Forecasts are reviewed regularly and revisions prepared as and when deemed necessary.

Operations Review

Board representatives meet regularly to consider operational practices.

Investment Appraisal

The Board will define guidelines for capital expenditure. These include levels of authority, appraisal procedures and due diligence requirements on potential acquisitions or divestments.

Environment and Safety

The Company is committed to ensuring that sound occupational health and safety practices are carried out in its operations, in compliance with relevant statutory requirements relating to workplace health and safety and community relationships. All activities of the Company must be carried out in accordance with the relevant Company Policies and / or Procedures.

Continuous Improvement

The Company's risk management system is evolving. This is an on-going process and it is recognised that the level and extent of the risk management system will change commensurate with the evolution and growth of the Company's activities.
