

**FINDERS RESOURCES LIMITED**

**RISK MANAGEMENT POLICY**

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## **RISK MANAGEMENT POLICY**

### **1. PURPOSE**

The Risk Management Policy sets out the framework for the management of risks faced by the company in the conduct of its business to ensure that all material business risks are identified, managed and monitored.

### **2. RESPONSIBILITY**

The Board, with the assistance of the Audit Committee, has overall responsibility for the determination of the company's risk management objectives and policies.

### **3. RISK MANAGEMENT**

The company faces material business risks arising from its profile as an exploration company in transition to a mining company and includes operational and financial risks and others such as reputation and regulatory risks.

Risk management strategies adopted shall include –

- a) health, safety and environment policies;
- b) internal control policies and procedures;
- c) financial authority limits;
- d) business plans and budgets;
- e) monthly reporting against budgets;
- f) insurance programme; and
- g) hedging strategies, where appropriate.

The above strategies are implemented in conjunction with other policies adopted by the company, including the code of conduct, continuous disclosure policy and securities dealing policy to provide a comprehensive risk management policy.

The Board monitors and reviews areas of significant business risks regularly through –

- a) monthly operations and financial reports;
- b) attendance at Board meetings held at least six times a year;
- c) tour of operations and major exploration sites;
- d) presentations by the Managing Director, Executive Directors and senior management at Board meetings;
- e) informal briefings by the Managing Director and Executive Directors; and
- f) reports by the Chairman of the Audit Committee and circulation of minutes of Audit Committee meetings to the Board.

#### **4. EXTERNAL AUDITS**

The financial statements are reviewed/audited by external auditors twice yearly. The audits include a review of the company's internal control procedures and any material deficiencies are reported to the audit committee. The auditor would also report on any significant financial risks that the company may be exposed to.

#### **5. FINANCIAL REPORTING**

At each reporting date, the Managing Director and the Chief Financial Officer is required to provide the Board with a declaration under section 295A of the *Corporations Act 2001* that –

- a) The financial records of the company for the financial year have been properly maintained in accordance with Section 286 of the *Corporations Act 2001*;
- b) The financial statements and the notes thereto for the financial year comply with the accounting standards; and
- c) The financial statements and the notes for the financial year give a true and fair view.

The integrity of the financial reports rely upon a sound system of risk management and internal control. The chief executive officer and chief financial officer are also required to provide the Board with a written statement at each reporting date that -

- a) The statements made above regarding the integrity of the financial report are founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies of the Board of Directors;
- b) The risk management and internal compliance and control systems are operating efficiently and effectively in all material respects

#### **6. REVIEW OF POLICY**

The Risk Management Policy is reviewed annually by the Board to ensure it remains relevant to the company's requirements.

October 2009