

AIC MINES LIMITED

ACN 060 156 452

RISK MANAGEMENT POLICY

Note: references to “Company” are to AIC Mines Limited and where applicable, all wholly owned subsidiaries within the Group.

Introduction

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

Risk Management Policy

The Company has appointed the Chief Executive Officer as being responsible for risk management policy, which covers organisational, financial and operational aspects of the Company's affairs.

Business Risk Management

The Chief Executive Officer, in conjunction with the Board, identifies the key business risks for the Company.

The Company manages its activities within budgets and operational and strategic plans. The Chief Executive Officer 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 Group 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 actual results are regularly reported against budget. Forecasts are reviewed regularly and revisions prepared as and when deemed necessary, typically in conjunction with ASX reporting requirements.

Annual and half yearly financial reports are approved by the Board based on recommendations provided by the Audit and Risk Committee who have oversight of this function, and based on representations provided by the Chief Executive Officer and Chief Financial Officer who are responsible for the preparation of the reports.

Operations Review

Board representatives will visit the Company's exploration project areas to inspect the operational practices including the environmental and safety aspects of the operations.

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 environmental management and occupational health and safety practices are carried out in its operations and exploration activities, in compliance with relevant statutory requirements relating to environmental matters, 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.

Safety and environmental, and all other material risks identified, are reported on at each meeting of the Board, and where necessary procedures are put in place to manage those specific risks.

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.

Due to the continuous improvement nature of the Company's risk management, the Company does not currently implement a periodic risk strategy review.

Review

This policy will be periodically reviewed to check that it is operating effectively and whether any changes are required to the policy.