

CORPORATE GOVERNANCE

RISK MANAGEMENT FRAMEWORK

The Board of **Red Hill Minerals Limited (the Company)** is responsible for the establishment, implementation and review of the Company's risk management framework, strategy and policies, internal compliance and internal control.

Management has designed and implemented the risk management and internal control system for identifying, monitoring and managing operational, financial reporting and compliance risks for the Company within the risk appetite set by the Board and other external requirements.

Financial reporting risk management and associated compliance and controls are assessed annually and have been found to be operating efficiently and effectively. Operational and other compliance risk management is also assessed regularly for effectiveness. The Company will disclose if it has any material exposure to environmental or social risks and, if it does, how it manages, or intends to manage, those risks.

Risk Profile – Business Risk Register

The Company has a Business Risk Register that is regularly reviewed to ensure the Company's process of risk management and internal compliance and control includes:

- (a) identifying and measuring risks that might impact upon the achievement of its goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- (b) ensuring compliance with applicable laws and regulations, including environmental;
- (c) effective asset management including cash assets;
- (d) retention of key personnel;
- (e) workplace health and safety;
- (f) security of tenure of exploration tenements, including native title risk and joint venture status/title risk;
- (g) exposure to commodity price fluctuations;
- (h) the preparation of reliable published financial information, including verifying the integrity of all periodic reports which are not audited or reviewed by an external auditor and
- (i) implementation of risk transfer strategies where appropriate, eg insurance.

Measures have been established to mitigate identified risks, including ensuring that:

- exploration expenditure is incurred in accordance with an approved budget
- joint ventures and project acquisitions are properly authorised and executed
- internal controls and spreading cash deposits over major financial institutions to protect cash assets
- insurance cover for public liability and personnel injury
- maintaining quality and integrity of personnel
- accurate and reliable financial reporting as well as compliance with the financial reporting regulatory framework
- CEO/CFO sign off to the board in respect of quarterly, half-yearly and annual financial statements
- environmental regulation compliance, and
- occupational health and safety standards are monitored and reviewed to achieve high standards of performance.

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