



**NetLinkz Limited
("COMPANY")
(ACN 141 509 426)
RISK MANAGEMENT POLICY**

1. Identification of Risk

- 1.1. The Board of Directors of the Company ("Board") is responsible for the oversight of the Company's risk management and control framework.
- 1.2. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Executive Director having ultimate responsibility to the Board for the risk management and control framework.

2. Primary Objectives

- 2.1. The primary objectives of the risk management system at the Company are to ensure:
 - (a) all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
 - (b) business decisions throughout the Company appropriately balance the risk and reward trade off;
 - (c) regulatory compliance and integrity in reporting is achieved; and
 - (d) senior management, the Board and investors understand the risk profile of the Company.
- 2.2. In line with these objectives the risk management system covers:
 - (a) Operational risk;
 - (b) Financial reporting;
 - (c) Compliance / regulations; and
 - (d) System/IT process risk.
- 2.3. Arrangements put in place by the Board to monitor risk management include:
 - (a) monthly reporting to the Board in respect of operations and the financial position of the Company;
 - (b) quarterly rolling forecasts prepared;
 - (c) circulation of minutes of relevant committees to the Board and the Chairman of each respective committee; and
 - (d) a report to the Board by each committee to be provided on an annual basis.

- 2.4. A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

3. Material Business Risks & Reporting

- 3.1. Given the speculative nature of the Company's business it is subject to general risks and certain specific risks. Some of these risks include but are not limited to the following:

- (a) liquidity risk;
- (b) commodity and currency price volatility;
- (c) economic and political uncertainties;
- (d) operating risks;
- (e) loss of key personnel;
- (f) title risks and native title;
- (g) environmental risks;
- (h) reliance on strategic partners;
- (i) exploration success; and
- (j) capital requirements.

- 3.2. The analysis and evaluation criteria are used to continually assess the impact of risks upon the Company's business objectives. The Board is responsible for the development of risk mitigation plans and the implementation of risk reduction strategies. The annual business planning process includes careful consideration of internal and external risk profile of the Company.

- 3.3. The Executive Director and Chief Financial Officer (or equivalent) will report monthly to the Board on the areas they are responsible for, including material business risks and provide an annual written report to the Board summarising the effectiveness of the Company's management of material business risks.

- 3.4. The Company's business risk management process provides a comprehensive, integrated approach for carrying out risk management activities. This process will allow the Board to minimise the potential impact of business risks in achieving objectives to create and protect shareholder value.

4. Integrity of Financial Reporting

- 4.1. The Company's Chief Executive Officer and Chief Financial Officer (or equivalent) are required to report in writing to the Board (as required by section 295A of the Corporations Act 2001 (Cth) ("the Act")) that:

- (a) the financial statements of the Company and its controlled entities (where appropriate) for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;

- (b) the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- (c) the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Note: Under the provisions of the Act a person performs a *chief executive function* in relation to the Company if the person is the person who is primarily and directly responsible to the directors for the general and overall management of the Company.

In addition, in the event that there is not a Chief Financial Officer in place, the Act provides that a person performs a *chief financial officer function* in relation to the Company if that person is the person who is primarily responsible for financial matters in relation to the Company and directly responsible for those matters to either the directors or the person or persons who perform the chief executive function in relation to the Company.

The persons fulfilling these respective roles will be identified by the Board with the appropriate declarations made as required.

5. Review of Risk Management Policy

- 5.1. This policy will be reviewed annually by the Board.