



## **Risk Management (principle 7)**

### **Introduction**

IMX Resources Ltd is developing a Risk Management Strategy as it transitions from an explorer to an operator.

The company's current approach to risk management is as follows:

### **Policy**

All members of the board are responsible for risk management and oversight of internal controls. The day to day responsibilities for risk management and internal controls rests with the managing director and chief financial officer.

### **Strategy**

The following is a summary of the current areas of risk and management strategies the Company has in place:

#### **1. FINANCIAL**

##### **1.1 Internal Controls**

The Company's financial status is not complex. To date equity funds have been raised and utilised for exploration and development projects.

The Company has established a procurement policy which requires purchase orders to be issued for acquisitions of goods and services.

All major project expenditure must first be approved by the Board.

As IMX transitions to an operator further internal controls will be instituted as required.

##### **1.2 Insurance**

The Company maintains a comprehensive suite of insurance including the following:

###### ***Australia***

- Commercial motor vehicle
- Corporate travel
- General property
- Office – property, money & glass
- Public liability
- Umbrella
- Workers' compensation
- Directors and officers

###### ***Tanzania***

- Commercial motor vehicle
- Workers' compensation

Insurances are reviewed annually.

##### **1.3 IT**

The Company's computer systems are regularly backed up for maintenance of electronic records.

**2. OPERATIONAL**

2.1 Operational Risk Management is dealt with on a project by project basis and where required external consultants are engaged to report.

2.2 **Safety**

Safety issues are addressed by the managing director and other senior executives as they arise.

2.3 **Tenement Management**

The exploration manager is responsible for timely management of matters pertaining to tenement titles.

**3. ORGANISATIONAL**

3.1 Given the speculative nature of the Company's business it is subject to general risk and certain specific risks.

Activities in Tanzania and India, are subject to Government Policy and sovereignty in those countries.

**4. CERTIFICATION**

Consistent with Principle 7 of the ASX Corporate Governance Principles and Recommendations and section 295A of the Corporations Law 2001, the Managing Director and CFO should formally state to the board, in writing, that the company's financial statements are founded upon a sound system of risk management and internal controls and that the system is operating effectively in all material respects in relation to financial reporting risks.

This certification is a major item, and MD's and CFOs require assurance that they can sign it with confidence. The first step is that there needs to be effective management systems for risk management and compliance, including all items requiring "policies and procedures".

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