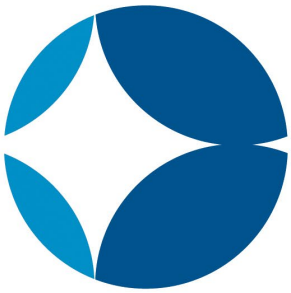

ROX
RESOURCES

RISK MANAGEMENT POLICY

Risk Management Policy

Rox Resources Limited ACN 107 202 602 (**Company**)

1 Purpose

In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects. This Policy sets out the Company's risk management system and processes, and the Company's risk profile.

2 Role of the Board and Delegated Responsibility

The Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Implementation of the risk management system and day-to-day management of risk is the responsibility of the Managing Director, with the assistance of Senior Management, as required.

3 Role of the Managing Director and Accountabilities

The Managing Director has responsibility for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for identifying any material changes to the Company's risk profile and ensuring, with approval of the Board, the risk profile of the Company listed in this Policy is updated to reflect any material change.

The Managing Director is required to report on the progress of, and on all matters associated with, risk management on a regular basis. The Managing Director is to report to the Board as to the effectiveness of the Company's management of its material business risks, at least annually.

4 Authority of the Managing Director

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the approval of the Board.

5 Risk Profile

The Company considers that any risk that could have a material impact on its business should be included in its risk profile. The risk profile of the Company can be categorised as follows:

- Market-related
- Financial reporting
- Operational
- Human capital

- Political
- Technological
- Economic cycle/marketing
- Legal and compliance.

6 Additional Policies and Practices

The Company maintains a number of policies and practices designed to manage specific business risks. These include:

- Audit Committee Charter

  The *Audit Committee Charter* sets out the role of the Audit Committee (or its equivalent) which includes, among other things, monitoring and reviewing the integrity of the financial reporting of the Company and any significant financial reporting judgements; and reviewing the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems.

- Regular budgeting and financial reporting

  The Company has regular budgeting in place. It is the role of the Audit Committee (or its equivalent) to review the integrity of the financial reporting of the Company.

- Clear limits and authorities for expenditure levels

- Board Charter

  The Company's *Board Charter* sets out Materiality Thresholds. These include quantitative and qualitative thresholds as well as triggers for the materiality of contracts.

- Procedures for compliance of continuous disclosure obligations under the ASX Listing Rules

- Compliance Procedures

  The Company's *Compliance Procedures* have been designed for the purpose of ensuring the Company complies with its continuous disclosure obligations.

- Procedures to assist with establishing and administering corporate governance systems and disclosure requirements

  The Company has adopted a Corporate Governance Manual which contains policies and procedures to assist the Company establish and maintain its governance practices.

7 Responsibility to Stakeholders

The Company considers the reasonable expectations of stakeholders particularly with a view to preserving the Company's reputation and success of its business. Factors which affect the Company's continued good standing are included in the Company's Risk Profile.

8 Continuous Improvement

The Company's risk management system is evolving. It is an on-going process, and it is recognised that the level and extent of the risk management system will evolve commensurate with the development and growth of the Company's activities.