

# Risk Management Policy and Internal Compliance And Control System

Northern Minerals has developed a framework for a risk management policy and internal compliance and control system that covers the organisational, financial and operational aspects of the Company's affairs. The Chairman is responsible for ensuring the maintenance of, and compliance with, appropriate systems.

## Financial

The Company's financial situation is not complex. It has operated initially with the support of its founding shareholders, and it is expected that equity funds will be raised and used for exploration and administration purposes, as well as to repay debt to the founding shareholders.

Monthly cash flow reports and monthly management accounts will be prepared and circulated to the Directors for review and consideration.

The Board must approve all major project expenditure.

Northern Minerals maintains appropriate insurance cover. This includes cover in respect of workers' compensation, public liability, motor vehicles and property insurance.

The Company may obtain cover for Directors' and officers' liability, to the extent permitted by the Corporations Act 2001.

Northern Minerals implements appropriate data back-up of its financial and other electronic information. Physical records are held within the Company's office and are contained, where appropriate, in a fire-proof safe.

## Risk Factors

Risk factors associated with the Company and its business were set out in its prospectus dated September 2006 and lodged with the Australian Securities and Investments Commission ('ASIC') in that month. The Board still considers these relevant to the Company.