



Risk Management And Internal Control Policy

1. Purpose and Objectives

The Board of Orion Gold NL ("Orion") recognises that the establishment of a sound system of risk oversight and management and internal control is a fundamental requirement of good corporate governance. This policy describes the manner in which Orion identifies, assesses, monitors and manages risk.

The Audit Committee has been delegated responsibility to oversee the system of risk management and internal control within Orion and regularly reports to the Board on the effectiveness of operation of the system.

2. Policy

Every operating department within Orion is expected to:

- (a) establish clear objectives, identify and evaluate the significant risks to the achievement of those objectives, set limits for risk taking and develop effective risk mitigation strategies;
- (b) incorporate risk management strategies into a system of internal control which is designed to enhance the process for identifying and capitalising on opportunities to create value, protect people, the environment and safeguard Company assets, facilitate effective and efficient operations and supports reliable reporting and compliance with applicable laws and regulations;
- (c) monitor the effectiveness of the system;
- (d) comply with relevant Orion group policies, guidelines and standards; and
- (e) provide an annual assurance regarding the extent of its compliance.

Within each department, management is expected to:

- (a) resource, operate and monitor the system of internal control;
- (b) delegate authorities for approving transactions in their respective areas;
- (c) ensure that a risk based approach to internal control is communicated to staff, embedded in business processes and responsive to changing circumstances;
- (d) assign accountability for managing risks within the agreed parameters; and
- (e) report the results of reviews and investigations into the effectiveness of the risk based internal control system, including identified weaknesses or incidents, to senior management and the Audit Committee.

3. Procedure

The Business Risk and Internal Control Policy is implemented by:

- (a) establishing and operating across the Orion group, a formal risk management and internal control system as endorsed by the Board;
- (b) identifying from this risk management and internal control system specific project, departmental and corporate risks;
- (c) regularly monitoring and assessing the performance and effectiveness of the risk management system through internal reviews and the external audit programme;
- (d) requiring the Chief Executive Officer/Managing Director (or equivalent) and the Chief Financial Officer (or equivalent) to certify to the Board that:
 - the integrity of financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board;
 - the Company's risk management and internal control system is operating efficiently and effectively in all material respects.

4. Risk Profile

The operation of Orion's risk management and internal control system results in the identification of a number of material risks which may impact on Orion's business as an exploration and development group. These risks include but are not limited to:

- the exploration for, identification and extraction of reserves;
- commercialisation of resources;
- exposure to the gold price and exchange rates;
- technical and project management competencies;
- health, safety, environmental and security risk;
- exposure to financial markets; and
- the availability of commercial insurances to mitigate identified business risks.

These risks may change over time as the external environment changes and as Orion expands its operations. The risk management process requires regular reviews of Orion's existing risks and identification and management (including mitigation where appropriate) of any new and emerging risks facing Orion, including financial and non-financial items.

This policy is subject to regular review by the Board and will be amended as and when appropriate.

Approved by the Board

Date: 23 September 2009