

Financial and Commercial Management Policy

Bauxite Resources Ltd is committed to adopting financial and commercial policies and processes that maximise the financial returns to the shareholders that have entrusted the Company with their funds. Our financial and commercial management shall aim to achieve the following objectives;

- Enhancement of the Company's reputation as an honest, ethical business operator with sound financial management
- Compliance with relevant legislative and statutory obligations with the recognition that achievement of this objective is a minimum standard rather than a final goal
- Maximise the efficient use of shareholder funds and returns on shareholder investment
- Value add at every opportunity
- The efficient use of all Company assets
- Create a company that the community at large, our shareholders, joint venture partners, suppliers and employees can be proud to be associated with

We will achieve these objectives by;

- Complying with all relevant legislative and statutory obligations
- Ensuring that all business related decisions and actions are conducted in an ethical manner.
- Adopting financial processes that are clear and simple to operate and include an appropriate degree of rigour
- Setting realistic annual budgets and forecasts that are designed to achieve the targets approved by the Board
- Adopting supporting policies and management processes that are designed to maximise financial control, efficiency and efficacy and as far as is practicable eliminate waste so to support the achievement of budgeted financial outcomes
- Setting financial approval authority levels that allow delivery of corporate and operational objectives but that also provide appropriate controls on expenditure and risk
- Adopting and embracing the concept of continuous improvement through both self and external audit processes
- Ensuring that the engagement of external service providers is only actioned in accordance with proper commercial considerations and that the scope of work, terms and conditions are appropriate for each contract that the Company enters into.
- Ensure that all contractual terms and conditions of any engagement are reviewed and are within company guidelines and that management are aware of any risks associated with the contract so they can be appropriately managed.
- Ensuring that all personnel within the Company have a clear and unambiguous understanding of their responsibilities and authorities with respect to financial and commercial matters and that matters that should be elevated to a higher level are done so expeditiously
- Ensuring that there are protocols in place that provide for the appropriate separation between authorisation of agreements and approval of payments so that no single person can both authorise a service and approve payment without controls
- Ensuring that all employees are able to recognise conflicts of interest or related party transactions and that any such occurrence is declared to management to enable risks to be mitigated and disclosed in accordance with Company policy and ASIC legislation.
- Providing appropriate and sufficient leadership and training for our staff to enable them to positively contribute to the adherence and achievement of this policy objective.



CHIEF EXECUTIVE OFFICER

14/03/2014

Dated