

1. RISK MANAGEMENT POLICY

1.1 Purpose

The aim of the Risk Management Policy is to ensure that all operations of the Company are performed within the Board approved risk tolerance levels. The Company is committed to Risk Management to help protect its:

- (a) Business partners and stakeholders/shareholders
- (b) Employees, contractors and their skills
- (c) Environment
- (d) Assets and intellectual property
- (e) Contractual and statutory obligations
- (f) Image and reputation

1.2 Scope

This Risk Management Policy covers the Company and its subsidiaries. The following list provides details of the types of business risks that the Risk Management Policies covers:

Operational
Environmental
Sustainability
Compliance
Strategic
Ethical
Reputation
Technological
Human Capital
Finance
Policy

Risk management is a key part of improving our business and our aim is to ensure that all business operations are performed within Board approved risk tolerance levels.

To achieve this aim, Risk Management standards will be created, maintained and continually improved.

This will involve risk identification and risk evaluation linked to practical and cost-effective risk control measures commensurate with our business.

Risk Management is a continuous process demanding awareness and proactive action from all Company employees and contractors to reduce the possibility and impact of accidents and losses, whether caused by The Company or externally.

Risk Management is a core responsibility for all managers. Suitable risk management activities will be incorporated into our business planning, operations and the management of our contractors. The scope of these activities will encompass:

- (a) Education and training in risk management for staff
- (b) Open communication for identifying and addressing risks
- (c) Helping to prioritise and schedule risk control improvements within The Company's business and operations
- (d) Reporting to the Board on material business risks

Our challenge is to infuse Risk Management into our culture, our everyday business operations and those of our contractors and business partners. Everyone's involvement and support is critical to an effective result.

1.3 **Procedure Risk Tolerance**

Given the speculative nature of mineral exploration, the Company has quite a high tolerance for accepting risk.

1.4 **Risk Management Requirements**

A risk management plan has been developed and implemented by The Company. The plan provides a framework for systematically understanding and identifying the types of business risks threatening The Company as whole and specific business activities within the Company. A risk register has been developed through the implementation and review of the risk management plan which has identified material business risk of the Company. The risk register also provides the controls in place to mitigate the risk and managements' assessment of residual risk.

The implementation of and management input into the risk management plan has assisted in infusing Risk Management into our culture, our everyday business operations and those of our contractors and business partners.

1.5 **Assurance External Audit**

The Company's practice is to invite the auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report including their review (if any) of Company controls and procedures.

1.6 **Internal Audit**

Due to the size and nature of the Company, an internal audit function has not been established or internal audit review conducted.

1.7 **Responsibilities Of The Board**

The Board is responsible for the oversight of the Group's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director and Chief Financial Officer having ultimate responsibility to the Board for the risk management and control framework.

1.8 **Managing Director**

The Managing Director is accountable to the Board, for ensuring that the risk management system is implemented and maintained in accord with the Risk Management Policy. Assignment of responsibilities in relation to risk management is the prerogative of the MANAGING DIRECTOR.

1.9 **Chief Financial Officer**

In conjunction with the Managing Director the Chief Financial Officer or equivalent ('CFO') is accountable for the implementation of the Risk Policy and for maintaining a program of risk reassessment. The CFO also provides advice to the relevant Senior Executives on risk management matters relevant to their responsibilities. The CFO is to assist senior management and the Board in the effective discharge of their responsibilities with regard to The Company's internal control environment by ensuring the efficiency and effectiveness of Company processes and identifying opportunities to improve operating performances.

At appropriate intervals, the CFO shall determine the adequacy and effectiveness of the Company's system of internal accounting and operating controls and determine if the business unit/function are managing risks, in accordance with management instruction, policies and procedures, in a manner consistent with Company objectives.

The Board notes that at the time of adoption of the policy the company does not have a full-time CFO.

1.10 **Senior Management**

Senior Executives are accountable for strategic risk management within areas under their control including the dissemination of the risk management process to operational managers. Collectively the

Senior Management is responsible for:

- (a) The formal identification of strategic risks that impact upon The Company's business;
- (b) Allocation of priorities;
- (c) The development of strategic risk management plans;
- (d) The Senior Management review progress against agreed risk management plans.