



## RISK MANAGEMENT POLICY

The Board aims to recognise and manage risks faced by the Company to enable it to operate its business in such a way as to minimise the risk of causing harm to its staff and other stakeholders and to mitigate economic, environmental and social sustainability impacts.

This policy will be used to inform all shareholders of its performance in managing its identified material business risks in all exploration, operational and corporate activities carried out by the Company and its subsidiary companies. This policy applies to all directors, employees, contractors and consultants of the Company.

### Key Elements:

1. Incorporation of risk management into decision making and business planning processes so that risks are identified, analysed and ranked. Appropriate risk controls and risk management plans will be put into place to manage and reduce the identified risks.
2. All of the Company's operational tasks are subject to formal risk assessment before a new task is undertaken, a new investment is made or a new work location is opened.
3. The risk identification and management system will be reviewed annually by senior management and policies and practices upgraded where issues are identified that require attention. Reviews of specific items will be undertaken where issues are identified and immediate action is required.
4. Risk will be a standing item on the agenda of board meetings, for reporting against material business risks.
5. All staff shall be properly trained in assessing and mitigating risks.

### Procedures:

The Company recognises that there are inherent risks associated with its activities and exploration for minerals. The Company will apply resources to ensure that an adequate number of suitably qualified staff are employed, technical skills are developed, appropriate equipment is provided and that appropriate exploration procedures and strong risk management processes are carried out to reduce the potential of material business risks and to ensure compliance with its legal and other obligations.

**Risk Matrix:**

**RISK MATRIX**

RISK RATING KEY	<b>LOW</b>	<b>MEDIUM</b>	<b>HIGH</b>	<b>EXTREME</b>
	0 – ACCEPTABLE	1 – ALARP as low as reasonably practicable	2 – GENERALLY UNACCEPTABLE	3 – INTOLERABLE
	OK TO PROCEED	TAKE MITIGATION EFFORTS	SEEK SUPPORT	PLACE EVENT ON HOLD

		SEVERITY →			
		ACCEPTABLE	TOLERABLE	UNDESIRABLE	INTOLERABLE
		LITTLE TO NO EFFECT ON EVENT	EFFECTS ARE FELT, BUT NOT CRITICAL TO OUTCOME	SERIOUS IMPACT TO THE COURSE OF ACTION AND OUTCOME	COULD RESULT IN DISASTER
LIKELIHOOD ↓	IMPROBABLE  RISK IS UNLIKELY TO OCCUR	<b>LOW</b>  - 1 -	<b>MEDIUM</b>  - 4 -	<b>MEDIUM</b>  - 6 -	<b>HIGH</b>  - 10 -
	POSSIBLE  RISK WILL LIKELY OCCUR	<b>LOW</b>  - 2 -	<b>MEDIUM</b>  - 5 -	<b>HIGH</b>  - 8 -	<b>EXTREME</b>  - 11 -
	PROBABLE  RISK WILL OCCUR	<b>MEDIUM</b>  - 3 -	<b>HIGH</b>  - 7 -	<b>HIGH</b>  - 9 -	<b>EXTREME</b>  - 12 -

**Risk Register:**

The Company has developed a risk register which sets out details of identified material business risks and the current controls to manage risk along with proposed further actions that need to be taken to manage all identified risks to levels that are acceptable to the Company’s tolerance for risk.

The entire risk register will be reviewed annually by the Board and specific events and treatments will be reviewed as required either in response to particular circumstances or as a new event is identified.

**Review:**

This risk management policy will be reviewed by the Board of Directors annually and modified to take into account changes in the risks. If deemed necessary, the Company will engage an external reviewer to facilitate the review and provide an opinion on the management of significant risks.

