



RISK MANAGEMENT POLICY

The Company's Risk Management Policy is designed to provide the framework to identify, assess, monitor and manage the risks associated with the Company's business. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

The risks involved in a minerals exploration Company and the specific uncertainties for the Company continue to be regularly monitored and the full Board of the Company formally reviews such risks at least annually. All proposals reviewed by the Board include a consideration of the issues and risks of the proposal.

The potential exposures associated with running the Company are managed by the Directors and Company Secretary who have significant broad-ranging industry experience, work together as a team and regularly share information on current activities.

Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

The Company's main areas of risk include:

- market risk – changes in economic conditions, commodity prices and investor sentiment;
- political risk – changes in the political situation and regulatory environment in countries in which the Company operates; and;
- operational risk – associated with continuous disclosure obligations, internal processes and systems.

Additionally, it is the responsibility of the Board to assess the adequacy of the Company's internal control systems and that its financial affairs comply with applicable laws and regulations and professional practices. Regular consideration is given to all these matters by the Board.

The Company has in place an internal control framework to assist the Board in identifying, assessing, monitoring and managing risk.

The framework can be described under the following headings:

- Continuous Disclosure/ Financial Reporting
- Operations Review
- Investment Appraisal

The Company's internal control system is monitored by the Board and assessed regularly to ensure effectiveness and relevance to the Company's current and future operations. Procedures have been put into place to ensure the CEO and the CFO (or equivalent) state in writing to the Board that the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively.

The Company is not currently of a size to justify the formation of a separate risk management committee, the full Board has the responsibility for the risk management of the Company however; the Board will assess the need to form a committee on a regular basis.