

## CORPORATE GOVERNANCE RISK MANAGEMENT FRAMEWORK

### **Oversight of the risk management and internal control system**

The Board oversees the establishment, implementation and review of the Company's risk management and internal control system. Management has designed and implemented the risk management and internal control system for assessing, monitoring and managing operational, financial reporting and compliance risks for the Company. Financial reporting risk management and associated compliance and controls are assessed annually and have been found to be operating efficiently and effectively. Operational and other compliance risk management is also assessed regularly for effectiveness.

### **Risk profile – Business Risk Register**

The Board regularly reviews the status of risks outlined in the register, as well as identifying new or potential risks and ensures that they are appropriately managed.

- The major risks to the business are identified as follows:
- security of tenure of exploration tenements - including native title risk and joint venture status/title risk
- security of cash and other financial assets – risk of misappropriation
- exploration - risk of lack of success in discovering new assets
- funding – risk of not being able to replenish depleting shareholder funds
- retention of key personnel
- environment - breaches of environmental regulations,
- commodity price declines – to the extent that they impair the value of assets and the ability to secure funding
- occupational health and safety
- government policy changes,
- financial reporting – misstatement of financial reports and breaches of reporting regulatory framework

Measures have been established to mitigate these risks, including ensuring that:

- exploration expenditure is incurred in accordance with an approved budget.
- joint ventures and project acquisitions are properly authorised and executed.
- third party joint venture funding is included in the funding mix to mitigate exploration expenditure
- internal controls are continuously reviewed to protect cash and other financial assets
- insurance cover is in place for public liability and personnel injury
- quality and integrity of personnel are maintained.
- financial reporting is accurate and compliant with the financial reporting regulatory framework.
- environmental regulation compliance
- occupational health and safety standards are monitored and reviewed to achieve high standards of performance.