

RISK MANAGEMENT

As a matter of practice, The Board retains overall responsibility for risk oversight and management. Given the modest size of the Company, the Company does not consider it appropriate to have a separate risk management committee.

The Board defines risk to be any event that, if it occurs, will have a material impact (whether financial or non-financial) on the Company's ability to achieve its business objectives. The Board has established various policies and practices designed to identify and manage significant business risks, including:

- the Company's business plan;
- approval of budgets by the Board;
- detailed monthly financial and operational reporting to the Board;
- policies regarding authority levels for internal controls, expenditure, commitments and general decision making;
- policies and procedures relating to health, safety and environment designed to ensure a high standard of performance and regulatory compliance; and
- policies and procedures to promote cultural awareness amongst employees and consultants. Day-to-day responsibility for risk oversight and management is delegated to the Chief Executive Officer/Managing Director, who is primarily responsible for identifying risks, monitoring risks, promptly communicating risk events to the Board and responding to risk events.

The Board requires the Chief Executive Officer/Managing Director and Chief Financial Officer to certify annually that the financial statements of the Company and the Group are founded on a sound system of risk management and internal control which implements the policies adopted by the Board and that these systems operate effectively in all material respects in relation to the financial reporting risks.