

Risk Management Policy

The Company through the Board delegates day-to-day management of risk to the Executive Chairman who, with the assistance of the Company Secretary and senior executives as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

1.1 Risk Management Policy

The Company has appointed the Executive Chairman as being responsible for risk management policy which covers organisational, financial and operational aspects of the Company's affairs.

Business Risk Management

The Executive Director has identified the key business risks for Gold Road Resources.

The Company manages its activities within budgets and operational and strategic plans. The Executive Chairman together with Operational Management work to safeguard assets and to ensure that business risks are identified and appropriately managed.

Internal Controls

The Board is responsible for the overall internal controls within the organisation, but recognises that no cost effective internal control system will preclude all errors or irregularities. The Board examines the adequacy of the nature, extent and effectiveness of the internal control processes of the Company and relies on a review by the external auditors and the declarations made by senior executives.

Financial Reporting

Directors approve an annual budget for the Company. Monthly actual results are reported against budget. Revised forecasts are prepared regularly.

Operations Review

Members of the Board regularly visit the Company's exploration project areas to review the geological practices including the environmental and safety aspects of the operations.

Investment Appraisal

The Board has defined guidelines for capital expenditure. These include levels of authority, appraisal procedures and due diligence requirements on potential acquisitions or divestments.

Environment and Safety

The Company is committed to ensuring that sound environmental management and safety practices are carried out in its operations and exploration activities, in compliance with relevant statutory requirements relating to environmental matters, workplace health and safety and community relationships.

Continuous Improvement

The Company's risk management system is evolving. This is an on-going process and it is recognised that the level and extent of the risk management system will evolve commensurate with the evolution and growth of the Company's activities.