



CORPORATE GOVERNANCE POLICIES AND PROCEDURES

1. BOARD CHARTER

The Board is responsible for the general supervision of the management of the Company's business and affairs with the objective of enhancing shareholder value.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on Company's business in the ordinary course, managing Company's cash flow, evaluating new business opportunities, human resources and complying with applicable regulatory requirements.

The specific responsibilities of the Board include:

- (a) appointment, evaluation, rewarding and if necessary the removal of the Managing Director (or equivalent), and Chief Financial Officer (or equivalent) and the Company Secretary;
- (b) in conjunction with management, development of corporate objectives, strategy and operations plans and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- (c) establishing appropriate levels of delegation to the Managing Director to allow him to manage the business efficiently;
- (d) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company;
- (e) monitoring the performance of senior management including the implementation of strategy, and ensuring appropriate resources are available;
- (f) via management, an appreciation of areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks;
- (g) overseeing the management of safety, occupational health and environmental matters;
- (h) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- (i) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- (j) to ensure that appropriate internal and external audit arrangements are in place and operating effectively;
- (k) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
- (l) reporting to shareholders.

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of committees. The Board has not established any committees at this time, other than the Audit Committee.

Each director has the right to seek independent professional advice on matters relating to his position as a director of the Company at the Company's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved directors will, unless the remaining directors resolve otherwise, withdraw from deliberations concerning the matter.

In accordance with the Constitution of the Company, directors of the Company (other than the Managing Director) must offer themselves for re-election by shareholders at least every 3 years. The Board does not specify a maximum term for which a director may hold office.

The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director. The Board ensures that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and executive directors.

The roles of Chairman and Managing Director are not combined. The Managing Director is accountable to the Board for all authority delegated to the position.

Whilst there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- (a) Board approval and monitoring of the Company's strategic plan;
- (b) approval of annual and monitoring actual performance against budget and revisions to the budget; and
- (c) procedures are in place to incorporate presentations to each Board meeting by financial, operations, exploration and marketing management.

This policy is reviewed **annually**.

2. PROCEDURES FOR SELECTION AND APPOINTMENT OF DIRECTORS

The Board shall ensure that, collectively, it has the appropriate range and expertise to properly fulfil its responsibilities, including:

- (a) operational experience;
- (b) accounting and finance;
- (c) business development and risk management;
- (d) industry and public company experience; and
- (e) an appropriate ratio and skills matrix for executive and non-executive directors.

In the circumstances where the Board believes there is a need to appoint another director, whether due to retirement of a director, regulatory requirements or growth or complexity of the Company, certain procedures will be followed, including the following:

- (a) determine the skills and experience appropriate for the appointee having regard to those of the existing directors and any other likely changes to the Board;
- (b) agree the process and timetable for seeking such a person, which may involve an external search firm;
- (c) a short list of candidates will be prepared for the Board's consideration and interview. Candidates will be assessed on the following basis:
 - (i) competencies and qualifications;
 - (ii) independence;
 - (iii) other directorships;
 - (iv) time availability;
 - (v) contribution to the overall balance of the composition of the Board; and
 - (vi) depth of understanding of the role of and legal obligations, of a director.

The Board currently comprises 4 persons and is considered to have an appropriate balance of skills and experience.

The Chairman regularly reviews the composition of the Board to ensure that the board continues to have the mix of skills and experience necessary for the conduct of the Company's activities.

If an invitation to become a director is accepted, the Board will appoint the new director during the year and that person will then stand for re-election by shareholders at the next annual general meeting. Shareholders are provided with relevant information on the candidates for re-election.

When appointed to the Board, a new director will receive an induction appropriate to their experience.

This policy is reviewed **annually**.

3. **CODE OF CONDUCT**

This code of conduct aims to encourage the appropriate standards of conduct and behaviour of the directors, officers, employees and contractors (collectively called the employees) of the Company.

Employees are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

GENERAL PRINCIPLES

1. Employees of the Company must act honestly, in good faith and in the best interests of the Company as a whole.
2. Employees have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their employment.
3. Employees must recognise that their primary responsibility is to the Company's shareholders as a whole.
4. Employees must not take advantage of their position for personal gain, or the gain of their associates.
5. Directors have an obligation to be independent in their judgements.
6. Confidential information received by employees in the course of the exercise of their duties remains the property of the Company. Confidential information can only be released or used with specific permission from the Company.
7. Employees have an obligation, to comply with the spirit as well as the letter, of the law and with the principles of this code.

The Company views breaches of this code as serious misconduct. Employees who have become aware of any breaches of this code must report the matter immediately to their line manager or the Company Secretary. The line manager or Company Secretary has the responsibility to report the breach to the appropriate senior management and to advise the relevant employee of the outcome and actions implemented.

Any employee who in good faith, reports a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report.

Employees who breach the policies outlined in the Code may be subject to disciplinary action, including in the case of serious breaches, dismissal.

DIRECTORS

The following additional comments apply to directors of the Company and aim to ensure directors have a clear understanding of the Company's expectations of their conduct.

Fiduciary duties

All directors have a fiduciary relationship with the shareholders of the Company. A director occupies a unique position of trust with shareholders, which makes it unlawful for directors to improperly use their position to gain advantage for themselves.

Duties of directors

Each director must endeavour to ensure that the Company is properly managed so as to protect and enhance the interests of all shareholders. To this end, directors need to devote sufficient time and effort to understand the Company's operations.

Directors should ensure that shareholders and the ASX are informed of all material matters which require disclosure and avoid or fully disclose conflicts of interest.

Conflict of interest

At all times a director must be able to act in the interests of the Company. Where the interests of associates, the personal interest of a director or a director's family may conflict with those of the Company, then the director must immediately disclose such conflict and either:

- (a) eliminate the conflict, or
- (b) abstain from participation in any discussion or decision-making process in relation to the subject matter of the conflict.

Executive directors must always be alert to the potential for a conflict of interest between their roles as executive managers and their fiduciary duty as directors.

Insider trading

Information concerning the activities or proposed activities of the Company, which is not public and which could materially affect the Company's share price must not be used for any purpose other than valid Company requirements.

STAKEHOLDERS

The Board recognises that the primary stakeholders in the Company are its shareholders. Other legitimate stakeholders in the Company include employees, customers and the general community.

The Company's primary objective is to create shareholder wealth through capital growth and dividends through continued successful exploration, evaluation, development and mining of its mineral projects.

The Company is committed to conducting all its operations in a manner which includes:

- (a) protecting the health and safety of all employees, contractors and community members;
- (b) achieving a balance between economic development, maintenance of the environment and social responsibility; and
- (c) maintains good relationships with suppliers and the local community.

All employees (including directors) are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

This policy is reviewed **annually**.

4. SECURITIES TRADING POLICY

The Company's share trading policy regulates dealings by directors, officers and employees in securities issued by the Company. In certain circumstances this policy also applies to contractors and consultants.

This policy imposes basic trading restrictions on all employees of the Company and its related companies who possess inside information and additional trading restrictions on:

- (a) all directors;
- (b) all executives reporting directly to the Managing Director; and
- (c) any other employees of the Company considered appropriate by the Chairman and Company Secretary from time to time.

GENERAL RESTRICTIONS WHEN IN POSSESSION OF INSIDE INFORMATION

Insider trading laws

Insider trading laws cover all directors and employees of the Company. If a person is in possession of any unpublished price-sensitive information, it is a criminal offence to take advantage for personal gain or that of an associates.

Price-sensitive information is any information which if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's securities, or would be likely to influence a person in deciding whether to buy or sell the Company's securities.

Confidential information

Employees and directors also have a duty of confidentiality to the Company. A person must not reveal any confidential information concerning the Company, use that information in any way which may cause loss to the Company, or use that information to gain an advantage for themselves or anyone else.

ADDITIONAL TRADING RESTRICTIONS FOR DIRECTORS AND SOME EMPLOYEES

Additional restrictions on trading in the Company's securities apply to directors of the Company, all executives reporting directly to the Managing Director and any other employees of the Company considered appropriate by the Managing Director and Company Secretary from time to time (**Restricted Persons**).

Restricted Persons generally hold positions where it can be assumed that they will have inside information regarding the Company. Accordingly, additional restrictions apply for any proposed trading in shares by Restricted Persons during nominated "closed periods". The closed periods generally apply to the period immediately preceding periodic and continuous disclosure.

Restricted Persons are prohibited from trading in the Company's securities during the following designated closed periods:

- (a) in the ten days immediately preceding the release of the Company's (i) Quarterly Activities Report and Quarterly Cashflow Report filed in accordance with the ASX Listing Rules (or, if shorter, the period from the relevant financial period end to the time of notification); and (ii) interim and annual financial results filed in accordance with applicable regulations (or, if shorter, the period from the relevant financial period end to the time of notification); and
- (b) in the two days immediately after the release of the reports in (i) above.

In exceptional circumstances clearance may be given for a Restricted Person to sell (but not to purchase) securities when they would otherwise be prohibited from doing so but not while there exists any matter which constitutes unpublished price-sensitive information in relation to the Company's securities.

Extended Scope

In this policy, the Company's "securities" include derivatives and other financial products issued by third parties in relation to the Company's shares and options. Further, the term "trading" shall be deemed to include entering into agreements or transactions which operate to limit the economic risk of a person's holding in the Company's securities.

Requirements before trading

Before trading, or giving instructions for trading in the Company's securities:

- (a) a director must notify the Chairman of his intention to trade;
- (b) confirm that he does not hold any inside information;
- (c) have been advised by the Chairman that there is no reason to preclude him from trading in the Company's securities as notified; and
- (d) complied with any conditions on trading imposed by the Chairman (including, for example, any time limits applicable to the clearance).

In the case of the Chairman intending to trade in the Company's securities, he must notify and obtain clearance from the Board before trading, or giving instructions for trading.

In the case of any other Restricted Person, he must notify and obtain clearance from the Company Secretary before trading, or giving instructions for trading.

Notification of trading

Directors must notify the Company Secretary of any dealings in the Company's securities immediately any such dealings occur.

Breaches of policy

Strict compliance with this policy is a condition of employment.

General

The requirements imposed by this policy are separate from and additional to, the legal prohibitions in the Corporations Act on insider trading.

This policy is reviewed **annually**.

5. **AUDIT COMMITTEE CHARTER**

Audit Committee Mandate

The primary function of the Audit Committee (the "Committee") is to assist the Board of Directors in fulfilling its oversight responsibilities related to the quality and integrity of financial reporting, the system of internal control and management of financial risks, the audit process, the Company's process for monitoring compliance with laws and regulations and contractual obligations. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee member ship as well as the Company's business operations and risks.

Authority

The Committee is empowered to make such enquiry and investigation and require such information and explanation from management as it considers reasonably necessary; and to require management to promptly inform the Committee and the auditor of any material misstatement or error in the financial statements following discovery of such situation. The Board authorizes the Committee, within the scope of its responsibilities, to obtain outside legal or professional advice and to ensure the attendance of officers at meetings as appropriate.

Composition and Procedures of the Audit Committee

The Committee shall consist of at least two (2) directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. While the Board may recommend a Chairman for the Committee, the Committee shall have the discretion to appoint the Chairman from amongst its members. The Committee shall establish procedures for quorum, notice and timing of meetings subject to the proviso that a quorum shall be no less than two (2) Committee members. Meetings shall be held no less regularly than twice a year and shall include the review of the unaudited half-year financial report and the audited annual financial statements of the Company. Subject to the composition of the Board, to the extent possible there shall be a majority of members of the Committee that are independent. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Specific duties and responsibilities of the Audit Committee

1. The Committee shall recommend to the Board:
 - (a) the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company; and
 - (b) the compensation of the external auditors.
2. The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company, including the resolution of disagreements between Management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditors.

4. The Committee satisfies the pre-approval requirement in subsection (3) if:
 - (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiary entities to the Company's external auditors during the financial year in which the services are provided;
 - (b) the Company or the subsidiary entity of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
5.
 - (a) The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection (3).
 - (b) The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to subsection (5)(a) must be presented to the Committee at its first scheduled meeting following such pre-approval.
6. The Committee satisfies the pre-approval requirement in subsection (3) if it adopts specific policies and procedures for the engagement of the non-audit services, if:
 - (a) the pre-approval policies and procedures are detailed as to the particular service;
 - (b) the Committee is informed of each non-audit service; and
 - (c) the procedures do not include delegation of the Committee's responsibilities to Management.
7. The Committee shall review the Company's financial statements before the Company publicly discloses this information.
8. The Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection (7), and must periodically assess the adequacy of those procedures.
9. The Committee must establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
10. The Committee must review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
11. The Committee shall have the authority:
 - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,

- (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.
12. The Committee shall review with Management and independent auditors the quality and the appropriateness of the Company's financial reporting and accounting policies, standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
 13. The Committee shall review the clarity of the financial statement presentation with a view to ensuring that the financial statements provide meaningful and readily understandable information to shareholders and the investing public.
 14. The Committee shall monitor the independence of the independent auditors and establish procedures for confirming annually the independence of the independent auditors and any relationships that may impact upon the objectivity and the independence of the external auditors.
 15. The Committee shall review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
 16. The Committee shall review with Management and the external auditors significant related party transactions and potential conflicts of interest.
 17. The Committee shall review in consultation with the external auditors and Management the integrity of the Company's financial reporting process and internal controls.
 18. The Committee shall meet with the external auditors in the absence of Management to discuss the audit process, any difficulties encountered, any restrictions on the scope of work or access to required information, any significant judgments made by Management and any disagreement among Management and the external auditors in the preparation of the financial statements and such other matters that may arise as a result of the audit or review by the external auditors.
 19. The Committee shall conduct or authorize any review or investigation and consider any matters of the Company the Committee believes is within the scope of its responsibilities and shall establish procedures for such review or investigation as may be required.
 20. The Committee shall minute the proceedings of all meetings.
 21. The Committee shall make recommendations to the Board with respect to changes or improvements to financial or accounting practices, policies and principles and changes to this Charter.

6. CONTINUOUS DISCLOSURE POLICY

This policy outlines the disclosure obligations of the Company as required under the Corporations Act 2001 and the ASX Listing Rules. The policy is designed to ensure that procedures are in place so that the stock market in the which the Company's securities are listed is properly informed of matters which may have a material impact on the price at which the securities are traded.

The Company is committed to:

- (a) complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing Rules;
- (b) preventing the selective or inadvertent disclosure of material price sensitive information;
- (c) ensuring shareholders and the market are provided with full and timely information about the Company's activities;
- (d) ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

Disclosure officer

The Managing Director and the Company Secretary have been appointed as the Company's disclosure officers responsible for implementing and administering this policy. The disclosure officers are responsible for all communication with ASX and for making decisions on what should be disclosed publicly under this policy.

In the absence of the Managing Director and Company Secretary, any matters regarding disclosure issues are to be referred to the Chairman.

Material information

In accordance with the ASX Listing Rules, the Company must immediately notify the market (via an announcement to the ASX) of any information concerning the Company which a reasonable person with experience in the industry in which the Company operates would expect to have a material effect on the price or value of the Company's securities.

Information need not be disclosed if:

- (a) a reasonable person would not expect the information to be disclosed; **and**
- (b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; **and**
- (c) one or more of the following applies:
 - (i) it would breach the law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for internal management purposes; or
 - (v) the information is a trade secret.

The Company is also required to disclose information if asked to do so by the ASX, to correct or prevent a false market.

Note that the Company is deemed to have become aware of information where a director or executive officer has, or ought to have, come into possession of the information in the course of the performance of his duties as a director or executive officer.

The applicable regulatory requirements define a material effect on price or value as being where a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities

Review of communications for disclosure

The disclosure officers will review all communications to the market to ensure that they are full and accurate and comply with the Company's obligations. Such communications may include:

- (a) media releases;
- (b) analyst, investor or other presentations;
- (c) prospectuses; and
- (d) other corporate publications.

Examples of information or events that are likely to require disclosure include:

- (a) material exploration results;
- (b) financial performance and material changes in financial performance or projected financial performance;
- (c) changes in relation to directors and senior executives, including changes in the terms of employment of the Chief Executive Officer and the independence of directors;
- (d) mergers, acquisitions, divestments, joint ventures or material changes in assets;
- (e) significant developments in new projects or ventures;
- (f) material changes to the Company's security position;
- (g) material information affecting joint venture partners, customers or non-wholly owned subsidiary companies;
- (h) media or market speculation;
- (i) analyst or media reports based on inaccurate or out of date information;
- (j) industry issues which have, or which may have, a material impact on the Company; and
- (k) decisions on significant issues affecting the Company by regulatory authorities.

Where there is any doubt as to whether an issue might materially affect the price or value of the Company's securities, the disclosure officers will assess the circumstances with appropriate senior executives and if necessary, seek external professional advice.

All presentations to analysts and investors will be released to the ASX and then included on the Company's web-site.

Authorised spokespersons

The Company's authorised spokespersons are the Managing Director, Chairman, and Company Secretary. In appropriate circumstances, the Managing Director may from time to time authorise other spokespersons on particular issues and those within their area of expertise.

No employees or consultants are permitted to comment publicly on matters confidential to the Company. Any information which is not public must be treated by employees and consultants as confidential until publicly released.

Reporting of disclosable information

Once the requirement to disclose information has been determined, the disclosure officers are the only persons authorised to release that information to the ASX.

Information to be disclosed must be lodged immediately with the ASX. Any such information must not be released to the general public until the Company has received formal confirmation of lodgement by the ASX.

All information disclosed to the ASX in compliance with this policy must be promptly placed on the Company's web-site.

Market speculation and rumours

As a guiding principle, the Company has a "no comment" policy on market speculation and rumours, which must be observed by all employees. However, the Company will comply with any request by the ASX to comment upon a market report or rumour.

Trading halts

The Company may, in exceptional circumstances, request a trading halt to maintain orderly trading in the Company's securities and to manage any disclosure issues.

No employee of the Company is authorised to seek a trading halt except for the disclosure officers.

Meetings and group briefings with investors and analysts

The Managing Director is primarily responsible for the Company's relationship with major shareholders, institutional investors and analysts and shall be the primary contacts for those parties.

Any written materials containing new price-sensitive information to be used in briefing media, institutional investors and analysts are lodged with ASX prior to the briefing commencing. Upon confirmation of receipt by ASX, the briefing material is posted to the Company's web-site. Briefing materials may also include information that may not strictly be required under continuous disclosure requirements.

The Company will not disclose price sensitive information in any meeting with an investor or stockbroking analyst before formally disclosing it to the market. The Company considers that one-on-one discussions and meetings with investors and stockbroking analysts are an important part of proactive investor relations. However, the Company will only discuss previously disclosed information in such meetings.

Periods prior to release of financial results

During the time between the end of the financial year or half year and the actual results release, the Company will not discuss financial performance, broker estimates and forecasts and, particularly, any pre-result analysis with stockbroking analysts, investors or the media, unless the information to be discussed has already been disclosed to the ASX.

Web-based communication

The Company's web-site features discrete sections for shareholders and investors to ensure that such information can be accessed by interested parties. Such information will include:

- (a) annual reports and results announcements;
- (b) all other company announcements made to the ASX;
- (c) speeches and support material given at investor conferences or presentations;
- (d) company profile and company contact details; and
- (e) all written information provided to investors or stockbroking analysts.

Announcements lodged with the ASX will be placed on the Company's web-site as soon as practicable after ASX confirms receipt of that information.

Shareholders may be offered the option of receiving information via e-mail instead of post.

Analysts reports and forecasts

Stockbroking analysts frequently prepare reports on listed companies that typically detail their opinion on strategies, performance and financial forecasts. To avoid inadvertent disclosure of information that may affect the Company's value or share price. The Company's comments on analyst reports will be restricted to:

- (a) information the Company has issued publicly; and
- (b) other information that is in the public domain.

Given the level of price sensitivity to earnings projections, the Company will only make comment to correct factual errors in relation to information publicly issued by other parties and Company statements.

This policy is reviewed **annually**.

7. **SHAREHOLDER COMMUNICATION POLICY**

The Company recognises the value of providing current and relevant information to its shareholders.

The Managing Director and Company Secretary have the primary responsibility for communication with shareholders.

Information is communicated to shareholders through:

- (a) continuous disclosure to relevant stock markets of all material information;
- (b) periodic disclosure through the annual report (or concise annual report), half year financial report and quarterly reporting of exploration, production and corporate activities;
- (c) notices of meetings and explanatory material;
- (d) the annual general meeting;
- (e) periodic newsletters or letters from the Chairman or Managing Director; and
- (f) the Company's web-site at www.coventryres.com.

The Company is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market.

Electronic communication and web-site

The Company believes that communicating with shareholders by electronic means, particularly through its web-site, is an efficient way of distributing information in a timely and convenient manner.

The Company's web-site includes the following pages, which contain relevant information for shareholders:

- (a) section on the Company's corporate governance policies and practices;
- (b) reports section, which contains copies of annual and interim reports;
- (c) news section, containing sections on newsletters, ASX announcements, media clippings and power point presentations;
- (d) press releases; and
- (e) research section, which contains any broker research reports published on the Company.

The Company's web-site will be updated with material released to the ASX as soon as practicable after confirmation of release by the ASX.

All web-site information will be continuously reviewed and updated to ensure that information is current, or appropriately dated and archived.

The Company places the full text of notices of meeting and explanatory material on the web-site.

Written communication and annual report

Shareholders have been given the opportunity to elect to receive a printed copy of the annual financial report from the Company. In addition, the Company publishes its annual financial report on

the Company's website and notifies all shareholders of the web address where they can access the annual financial report.

Annual general meeting

The Company recognises the rights of shareholders and encourages the effective exercise of those rights through the following means:

- (a) notices of meetings are distributed to shareholders in accordance with the provisions of the applicable regulatory requirements;
- (b) notices of meeting and other meeting material are drafted in concise and clear language;
- (c) shareholders are encouraged to use their attendance at meetings to ask questions on any relevant matter, with time being specifically set aside for shareholder questions;
- (d) notices of meetings encourage participation in voting on proposed resolutions by lodgement of proxies, if shareholders are unable to attend the meeting; and
- (e) it is general practice for a presentation on the Company's activities to be made to shareholders at each annual general meeting.

This policy is reviewed **annually**.

8. RISK MANAGEMENT POLICY

The Board is responsible for determining the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Company's process of risk management and internal compliance and control includes:

- (a) establishing the Company's goals and objectives, and implementing and monitoring strategies and policies to achieve these goals and objectives;
- (b) continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks;
- (c) formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls; and
- (d) monitoring the performance of, and continuously improving the effectiveness of, risk management systems and internal compliance and controls, including an ongoing assessment of the effectiveness of risk management and internal compliance and control.

Within the identified risk profile of the Company, comprehensive practices are in place that are directed towards achieving the following objectives:

- (a) effectiveness and efficiency in the use of the Company's resources;
- (b) compliance with applicable laws and regulations; and
- (c) preparation of reliable published financial information.

The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required by the Board to report back on the efficiency and effectiveness of risk management.

To mitigate risks, the Company has in place a broad range of risk management policies and procedures including competent management in all disciplines, an experienced Board, scheduled Board meetings and regular updates, annual financial audit, interim financial reporting, monthly management reports, rigorous appraisal of new investments and advisers familiar with the Company.

Management is responsible for the ongoing management of risk with standing instructions to appraise the Board of changing circumstances within the Company and within the international business environment.

This policy is reviewed **annually**.