



SUMMARY FOR USE ON COMPANY WEBSITE

POLICY: 40: SUMMARY OF RISK MANAGEMENT POLICY

It is a policy of Companies in the Manas Resources Limited Group to adopt a common sense approach to the management of risk. This approach involves a clear strategy defining the risks that Manas Resources Limited is in a business to take and those that it is not.

The basis of this Policy is the obligation and desire to protect:

- a) Manas Resources Limited's people and customers;
- b) the environment in which Manas Resources Limited operates;
- c) Manas Resources Limited's position as a provider of the highest quality services and products.

Manas Resource's policy in respect of these foundations attributes that its physical, financial and human resources will be applied to ensure that Manas Resources Limited's standards of products and services achieve and exceed expectations. To do this the entity must pursue opportunities that involve some degree of risk. Shareholders and stakeholders must expect that optimisation of such rewards are only gained from this degree of risk taking.

The application of this policy is the responsibility of the Manas Resources Board via the CEO. The CEO and the leadership team are responsible for implementation of this Policy and report performance and strategic targets that will be conducted routinely depending on the nature of the economic size of the risk and its effect on the business bottom line. This strategy is supported by a detailed management framework to identify and evaluate risk, control, response measures, all to improve / optimise Manas Resources Limited's profile and key performance indicators (KPI's) that apply across the organisation.

The risk management framework will facilitate six monthly reports to be given by management to the Audit and Risk Committee at the same time that half and annual accounts are being considered. In addition the Manas Resources Board will review this annually as a separate Board Agenda and ensure its continued application and relevance.

The risk management framework also obliges specific Board consideration at annual intervals of reports to be given by management to the Board. Each year annual budgets are submitted by management for Board approval. Monthly results, including comparisons against budget, are submitted to the Board at each meeting.

Guidelines for capital expenditure have been established, including the requirements for Board approval of capital expenditure beyond certain approved limits, detailed submissions from management seeking Board approval of such capital expenditure, due diligence procedures prior to purchases of businesses and regular post capital expenditure reviews.

Management provides written reports to the Board prior to each Board meeting, including Managing Director's report, covering the business of the Group and reports of external

transactions likely to have relevance to the Group and contacts with regulatory agencies. The report also contains litigation initiated either for or against the Company. Reports covering mineral exploration activities are also received. The Company also has in place an annual review of its insurance programme.

Manas Resources is committed to the philosophy of effective business risk management as a core management capability required to create growth of long-term shareholder wealth.