



RISK MANAGEMENT POLICY

1. Introduction

Horizon Gold Limited (the Company) through the Board of Directors (the Board) delegates day-to-day management of risk to the Managing Director. The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management. The Board's role is to monitor the performance against the Company's risk management framework the Board has set, including whether it is operating within the risk appetite determined by the board. The Board will also review material incidents of non-compliance and assess recommendations for improvements in the Company's risk management framework. The Company has appointed the Managing Director as being responsible for the Risk Management Policy which covers organisational, financial and operational aspects of the Company's affairs.

2. Business Risk Management

The Managing Director will identify the key business risks for the Company.

The Company manages its activities within budgets and operational and strategic plans. The Managing Director together with senior management work to safeguard assets and to ensure that business risks are identified and appropriately managed.

3. 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.

4. Financial Reporting

Directors regularly approve budgets for the Company and review financial reports to ensure budgets are being adhered to.

5. Operations Review

Members of the Board will visit the Company's exploration project areas, on as needs basis, to review the geological practices including the environmental and safety aspects of the operations.

6. Investment Appraisal

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

7. Environment, Health and Safety

The Company is committed to ensuring that sound environmental management and health 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.

8. Continuous Improvement

The Company seeks to take and manage risk in ways that will generate and protect shareholder value. The Company's risk management system is an evolving and integral part of business management and corporate governance. This is an ongoing 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.