

Risk Management Statement

Introduction

The Company, through the Board, delegates day-to-day management of risk to the Chief Executive Officer. The Chief Executive Officer, with the assistance of the Executive Director(s) and senior management as required, has responsibility for identifying, assessing, mitigating and monitoring risks and regularly reporting to the Board on risk management

Risk Management Policy

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

Business Risk Management

The Chief Executive Officer, in conjunction with the Board, identifies the key business risks for Echo Resources Limited. The Company manages its activities within budgets and operational and strategic plans. The Chief Executive Officer together with Executive 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 regular reviews undertaken by external auditors and the declarations made by senior executives.

Financial Reporting

The Board approves Company budgets and monthly actual results are reported against budget. Forecasts are reviewed regularly and revisions prepared as and when deemed necessary.

Operations Review

Board representatives visit the Company's exploration project areas to inspect the operational 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 occupational 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. All activities of the Company are carried out in accordance with the appropriate Company Policy and Procedures.

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

Annual Review and Reporting

The Board reviews the risk management framework at least annually to satisfy itself that it continues to be sound and discloses whether such a review has been undertaken.

Revision 0

Approved By: Board

Approved: 21/05/2018