



**POLICY STATEMENTS
AND
GUIDELINES FOR IMPLEMENTATION**

HEALTH AND SAFETY

ENVIRONMENT AND COMMUNITY

CORPORATE SOCIAL RESPONSIBILITY

BRIBERY

WHISTLEBLOWING

Health and Safety Policy Statement

The Directors of Andiamo Exploration (Andiamo) recognise that the Company and its subsidiaries have primary responsibility for the health, safety and welfare at work of all its employees. This responsibility extends to a duty of care over all persons on our premises and sites, whether visiting or carrying out our business, even if they are not employed by the Company.

Andiamo is committed to promoting the highest standards in health, safety and welfare in the workplace. It is our intention to operate to “best practice” standards throughout the Company. As a British registered company, we will abide by the UK Health and Safety at Work legislation currently in force and implement our obligations there under in the United Kingdom and wherever possible and practical, in each country where we conduct business.

We will abide by and implement all rules, regulations and legislation relating to Health and Safety that are in force in each country where we conduct business.

In putting this Health and Safety Policy into effect, we note that all the Company’s employees and contractors have an individual responsibility to adhere to the Company’s rules, regulations and procedures relating to health and safety at work. We have set out in the guidance on the following pages the obligations and responsibilities of the various relevant parties for implementing the policy.

Environmental and Community Policy Statement

The Directors of Andiamo Exploration (Andiamo) recognise that the Company and its subsidiaries have a responsibility to protect the natural environment and the local communities wherever we work, especially as the Company's operations are often undertaken in remote or wilderness areas.

Andiamo is committed to promoting the highest standards in environmental care and respect for local communities during its operations. It is our intention to operate to international "best practice" standards throughout the Company.

We will abide by and implement all rules, regulations and legislation relating to Environmental Protection in force in each country where we conduct business.

In putting this Environmental and Community Policy into effect, we note that all the Company's employees and contractors have an individual responsibility to adhere to the Company's rules, regulations and procedures relating to the environment and community. We have set out in the guidance on the following pages the obligations and responsibilities of the various relevant parties for implementing the policy.

Corporate Social Responsibility Policy Statement

Andiamo Exploration's directors and staff know that our operations will affect the communities and environments in which we operate and we seek always to make our impact a positive one. We are committed to be a good neighbour, to be considerate, to help sustain the communities among which we work and to respect the environments in which we operate.

We believe that we can make the greatest positive impact by engaging with the communities in which we operate; by creating jobs, procuring supplies and services, and by training and empowering our workers. In our experience, this type of involvement can have a greater positive impact than simply supporting good causes.

Our social responsibility policy is therefore:

- To be a good corporate citizen
- To think how our operations can be made to benefit our host communities
- Where ever possible, to obtain supplies and workforce locally
- To invest in the training and development of our employees
- To try to do better than best practice in environmental and safety issues
- When supporting good causes, to target communities local to our main operations; to provide tangible help in the provision of goods and services rather than cash; to ensure that the contribution is lasting and can be developed further; to ensure that any intermediaries have a record of success; and always to monitor the results of our interventions.

Policy Statement on Bribery

Andiamo Exploration values its reputation for ethical behaviour and for financial probity and reliability. It recognises that any involvement in bribery is not only likely to be a crime, but also, would reflect adversely on the Company's image and reputation. It aims to limit its exposure to bribery by:

- Setting out a clear anti-bribery policy;
- Training all employees so that they can recognise and avoid the use of bribery by themselves and others;
- Encouraging its employees to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
- Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution;
- Taking firm and vigorous action against any individual(s) involved in bribery.

The Policy

The Company prohibits the offering, giving, solicitation or acceptance of any bribe, whether
cash or other inducement
to or from
any person or company, wherever they are situated and whether they are a public official or
body or private person or company
by
any individual employee, agent or other person or body acting on the Company's behalf
in order to
gain any commercial, contractual or regulatory advantage for the Company in a way which
is unethical
or in order to
gain any personal advantage, pecuniary or otherwise, for an individual or anyone connected
with the individual

Policy Statement on Whistleblowing

Andiamo is committed to an ethical and honest approach to business. To encourage employees to disclose any malpractice or misconduct such as fraud, bribery, corrupt practice, negligence or poor business performance of which they become aware, and importantly, to provide protection for employees who report allegations of malpractice or misconduct, the Company provides a channel for any individual member of staff to raise the matter directly with an independent non-executive director of Andiamo Exploration.

The Company provides this 'whistle-blowing' channel for the benefit and protection of Andiamo Exploration as a whole. It does not affect employees' rights as provided in contracts of employment to raise issues relating to their own job with their manager, or to raise with Andiamo Exploration's Managing Director, any grievance they may have regarding their employment.

The whistleblowing policy is designed to encourage employees to report alleged malpractice or misconduct, and to ensure that all allegations are thoroughly investigated and that suitable action is taken where necessary. The Company will protect any whistleblowing employee against adverse employment actions (discharge, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of malpractice or misconduct, even if the allegations prove to be incorrect or unsubstantiated. Employees who participate or assist in an investigation will also be protected. Every effort will be made to protect the anonymity of the whistleblower, but there may be situations where it cannot be guaranteed.

Below are some examples of business misconduct:

- A criminal offence
- The use of deception to obtain an unjust or illegal financial advantage, either for the business unit or personally
- Intentional misrepresentations directly or indirectly affecting financial statements
- A failure to comply with any legal obligations
- A miscarriage of justice
- Danger to the health and safety of any individual
- Damage to the environment
- A serious breach of fundamental internal control
- Serious non-professional or non-ethical behaviour
- Breach of the Company's policy on bribery
- The deliberate concealment of information tending to show any of the matters above.

ANDIAMO EXPLORATION LIMITED

HEALTH AND SAFETY

GUIDELINES

Health and Safety Guidelines – Contents

- 1. Responsibilities for implementing the Company’s Health and Safety Policy and Guidelines**
- 2. Safe working practices**
- 3. Risk assessments**
- 4. Reporting accidents, injuries, dangerous occurrences and diseases.**
- 5. Fire safety and drills**
- 6. Control of substances hazardous to health**
- 7. First Aid**
- 8. Medical matters and insurance, including travelling to Africa**
- 9. HIV/AIDS and other Sexually Transmitted Diseases (STD’s)**
- 10. Other communicable and occupational diseases**
- 11. Home working**
- 12. Emergency evacuation of expatriates**
- 13. Workers compensation and public liability**
- 14. Death in service - insurance and benefits**

Appendix A – List of related documents/files

Appendix B – Individual Codes of Safe Working Practices

Health and Safety Guidelines

(In the following, *he* or *his* should be interpreted as *she* or *her* where appropriate).

1. Responsibilities for implementing the Company's Health and Safety Policy and Guidelines

The Board of Andiamo Exploration (Andiamo)

The Board is responsible for drawing up the Company's Health and Safety Policy and Guidelines (Policy and Guidelines), keeping them under review as experience or legislation dictate, and making them available to all employees.

Operations Director of Andiamo

The Operations Director is responsible to the Board for the execution of the Policy and Guidelines. In consultation with our legal and other advisers, he will bring to the Board's attention all changes in legislation and any issues arising from the implementation of the Policy and Guidelines, and make recommendations for any necessary changes to the Policy and Guidelines.

The Operations Director will monitor the effectiveness of the Policy and Guidelines, and call for investigations or reports as necessary.

Country Managers

Each Country Manager is responsible for implementing the Policy and Guidelines within every Andiamo site in their particular country and ensuring that any recommendations for improving health and safety at those sites are acted upon.

He is further responsible for undertaking risk assessments (See Sections 2 and 3) and for ensuring that remedial action to minimise risks is carried out.

Other managers and supervisors

Every member of staff who supervises work by others is responsible not only for his own safe working practices but also for those of the people working with him. He should set a personal example of safe working behaviour. Specific responsibilities include, but are not limited to:

Overall supervision of the working environment for which they are responsible.

Providing and maintaining safe working conditions in all areas of the Company's premises and sites under their control.

Maintaining a working knowledge of and compliance with HSE legislation and regulations pertinent to his work.

Ensuring that all employees and contractors are aware of their responsibilities to relevant legislation, Codes of Safe Working Practice and The Company's Health and Safety Policy and Guidelines in general.

Providing suitable and adequate instruction or training to all employees under their supervision.

Appointing or designating suitably trained and briefed employees to supervise day-to-day working practices as necessary.

Investigating and reporting any Health and Safety incidents or accidents that occur in their area of responsibility, and taking action to prevent a recurrence.

All staff

Every employee while at work is responsible not only for his own safe working practices but also for those of the people working with him. He should also set a personal example of safe working behaviour. Specific responsibilities include, but are not limited to:

Taking reasonable care for his own health and safety and for others who may be affected by his actions or omissions at work.

Being thoroughly conversant with safety policy and guidelines and observing the safety rules at all times.

Maintaining a working knowledge of and compliance with HSE legislation and regulations pertinent to his work.

Wearing appropriate safety equipment and using appropriate safety devices as required by the Codes of Safe Working Practice and/or as instructed by supervisors.

Complying absolutely with all instructions given by managers or supervisors regarding health, safety and welfare.

Drawing supervisors' or managers' attention to any new health and safety concerns.

Making suggestions to improve safety to their supervisors or managers.

Contractors

Contractors on any of the Company's premises or sites will be the responsibility of the appropriate manager and must be required to conform to health and safety standards no less stringent than those of the Company. Employees of the Company below management level cannot be responsible for Contractors but do have a duty to bring any unsafe practices by contractors to the attention of their supervisor or

manager. Whilst on any of the Company's premises or sites Contractors have a duty to:

Take reasonable care of their own health and safety and that of others who may be affected by their actions or omissions.

Observe the safety rules and instructions given by authorised persons enforcing them.

Ensure that all safety rules have been read, understood and accepted before starting work.

Provide proof of appropriate insurance before starting work.

Obtain prior agreement and approval before using any tools or other property belonging to the Company.

Visitors

Visitors to any of the Company's premises or sites will be the responsibility of the appropriate manager or supervisor and will be required to conform to the Company's health and safety standards. They will receive appropriate briefings on Health and Safety issues before departure from their home base or on site, as appropriate. In some circumstances, visitors may be required to sign an indemnity releasing Company companies from liability, for example if they insist on visiting operations in spite of advice to the contrary.

2. Safe working practices

It is Company practice that risk assessments (see Section 3) should be carried out on all activities for which there could be an impact on the health, safety or welfare of its employees, contractors, visitors or other third parties on our premises or sites.

The Company will issue or modify a Code of Safe Working Practice for a particular activity, operation or situation, if recommended by a risk assessment. Codes of Safe Working Practice have been written for a number of situations (risks) and form Appendix B of this Policy and Guidelines.

The responsibilities for conducting risk assessments, drawing up Codes of Safe Working Practice and monitoring their implementation, are as follows:

All employees must bring to the attention of their supervisor or manager any activity, operation or situation which they consider may have an impact on the health, safety or welfare of its employees, contractors, visitors or other third parties on our premises or sites.

Supervisors and managers must bring to the attention of their Country Manager or a Director any activity, operation or situation which they consider may have an impact

on the health, safety or welfare of its employees, contractors, visitors or other third parties on our premises or sites, or any such matter brought to their attention by an employee.

A Country Manager or Director must:

Arrange for a risk assessment to be carried out on any activity, operation or situation brought to his attention or which he otherwise considers may have an impact on the health, safety or welfare of its employees, contractors, visitors or other third parties on our premises or sites.

Obtain specialised advice if necessary.

Carry out immediate remedial action where required.

Send a copy of every risk assessment together with recommendations for safe working practice and details of any remedial action taken where appropriate, to the Operations Director.

The Operations Director must:

Review every risk assessment.

Obtain specialised advice if necessary.

Draw up or cause to be drawn up a Code of Safe Working Practice and / or advise on any remedial action required.

After consultation with at least one other Director, issue the Code of Safe Working Practice to all employees.

3. Risk Assessments

Risk assessments identify the hazards involved in any work activity, operation or situation and evaluate the associated risk. A hazard is something with the potential to cause harm to a person, such as:

substances used or encountered at work
machines used or encountered at work
work activities and methods
other aspects of the work environment, such as noise or overcrowding.

Risk assessment takes into account any precautions that are already being taken and reviews:

the probability that harm will result from the hazard
the possible and probable extent of harm which could result from the hazard
the possible and probable severity of harm which could result from the hazard

the frequency of exposure to harm.

Employees who initiate a risk assessment can obtain forms from the Operations Director.

Managers or supervisors must ensure that the appropriate risk assessments are carried out and forwarded to the Operations Director for advice and action.

Employees working frequently at home on Company business should conduct a risk assessment of their home office. Advice on this is available from the Operations Director. (See chapter 11- Home-working)

4. Reporting accidents, injuries, dangerous occurrences and diseases.

It is company policy that all injuries, diseases, accidents (whether resulting in injury or not), and dangerous occurrences including “near misses” must be reported so that lessons may be learned from them. The reporting procedure is as follows:

All injuries, diseases, accidents (whether resulting in injury or not), and dangerous occurrences must be reported to a supervisor or manager.

The supervisor/manager must produce a written report of all such incidents and disciplinary or remedial measures taken using a Safety Incident Report form (SIR).

For all non-trivial events, a copy of the SIR must be sent to the Operations Director. Non-trivial means:

- Accidents causing more than three days' incapacity for work
- Fatalities
- Incidents concerning hazardous substances
- Injuries or diseases on the UK's “Riddor” list (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995)
- Any incident with safety implications not already covered by the Company's Code of Safe Working Practice or likely to require changes to the Code.

Minor incidents not covered above may be dealt with by the supervisor as appropriate.

If the incident highlights a hazard not previously recognised, then the supervisor should initiate a risk assessment.

The Operations Director will review all SIRs copied to him and determine the need for further action.

5. Fire safety and drills

Use published H&S guidance appended, e.g. Abbey Legal Protection

6. Control of substances hazardous to health

Use published H&S guidance appended.

7. First aid

It is company policy that first aid kits must be available at all Company premises and sites, including home offices and field camps, and for employees travelling in remote locations. All staff overseas should have their own personal first aid kit and travelling mosquito net. Company HQ will provide first aid kits or advice on buying kits.

Country Managers and the Operations Director are responsible for ensuring that first aid kits are available at each location and that they are regularly checked and replenished.

All national and expatriate staff and consultants must notify their Country Manager or the Operations Director of any deficiencies they find in the availability, contents or condition of first aid kits.

All long-term expatriate staff must undergo first aid training and be familiar with first aid techniques. Copies of first aid booklets and “Where there is no Doctor” are available from UK HQ. Staff who have not yet received first aid training should notify the Operations Director.

At all Andiamo main field sites, there must be a qualified first aider available at all times. Senior national staff will be encouraged to train in first aid to ensure adequate coverage at these sites. Suitable courses will be sought locally and Andiamo will bear the costs of such training.

Before departure, all expatriate employees and consultants working overseas must obtain qualified medical advice on vaccinations and other prophylactic health measures, especially against malaria.

8. Medical matters and insurance

Employees of Andiamo and its subsidiary companies will be assisted with medical cover and/or medical expenses commensurate with their position in the company and/or and the type of work they undertake.

All expatriate staff working at an Andiamo location outside of the UK will be covered by suitable medical insurance, which will ensure emergency evacuation and repatriation if necessary.

Senior national staff, at the discretion of the management operating within that country, may also be covered by an insurance scheme providing medical evacuation and hospitalisation services within the region.

Other staff, again at the discretion of the management, will have all reasonable medical expenses paid for them, up to an annual limit set by the management. This will only include full-time permanent staff.

Labourers on short-term contracts will be assisted by the company (to an annual financial limit set at the discretion of the management) in the event that they are injured while working on an Andiamo site. This limit will be adjusted according to the circumstances of the accident/injury and the extent of liability of Andiamo or its subsidiary.

Suitable liability and workman's compensation insurance must be in place.

9. **HIV/AIDS and other Sexually Transmitted Diseases (STDs)**

Andiamo recognises that many of its field operations are carried out in countries where HIV/AIDS is epidemic. In adopting a specific policy about HIV/AIDS, Andiamo acknowledges both the local and national impact of this disease, on individual members of its own workforce, their families, their communities and on the national pool of potential future employees.

Andiamo as an employer seeks firstly to protect its own employees but, in so doing, it also strives to provide information and education to the wider community within the areas of its operations.

Where possible, Andiamo subsidiary companies will employ suitable locally based HIV/AIDS 'experts' to conduct briefings and discussion with employees and local leaders to ensure that people are fully informed about the dangers of HIV. The Company strongly advises abstinence from casual sex or protection (e.g. by the use of condoms) where abstinence is not an option. The company expects senior staff, both expatriate and national, to set good examples in this matter and to counsel other staff about the risk that reckless sexual behaviour may lead to infection with HIV.

Andiamo, as part of their coverage of medical expenses for employees (see Chapter 8) will pay for treatment of STD's in the knowledge that if these go untreated, the risks of contracting HIV/AIDS are greatly increased. Any treatment for STD's will be followed up with briefings about protection from contracting STD's. and the increased risks of contracting HIV/AIDS.

10. **Other communicable and occupational diseases**

Use published H&S guidance. See "A guide to the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995" appended.

11. **Home working – can be lifted from published documents**

Use published H&S guidance (UK HSE Home-working Guide)

12. **Emergency evacuation**

Use Guide published by insurer

13. Workers compensation and public liability – to be drafted

14. Death in service – insurance and benefits – to be drafted

Appendix A - Related documents/files

Document/file	Location
Codes of Safe Working Practice	
Drilling	
Trenching	
Storage Sheds (Core stores)	
Field Work	
Lifting and Carrying	
Reporting Accidents and Incidents	
Driving vehicles	
Working in a hot climate	
Computer work	
Using and storing kerosene	
Malaria Code and Procedures	
Rescue and Evacuation - Procedure	
Non- Urgent Medical Attention - Procedure	
Risk assessments, actions and controls etc.	
Incident/accident reporting forms (Accident Book)	www.hse.gov.uk/riddor/
HIV/AIDS - leaflets, other information issued by local consultant	
A guide to the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995	www.hse.gov.uk/riddor/

NOTE – some of these documents are still in preparation

ANDIAMO EXPLORATION LIMITED
ENVIRONMENTAL AND COMMUNITY
GUIDELINES

Environmental and Community Guidelines - Contents

- 1. Responsibilities for implementing the Company's Environmental and Community Policy and Guidelines**
- 2. Ensuring good working practices**
- 3. Environmental policies and procedures – International Good Practice**

Environmental and Community Guidelines

(In the following, *he* or *his* should be interpreted as *she* or *her* where appropriate).

1. Responsibilities for implementing the Company's Environmental and Community Policy and Guidelines

The Board of Andiamo Exploration (Andiamo)

The Board is responsible for drawing up the Company's Environmental and Community Policy and Guidelines (Policy and Guidelines), keeping them under review as experience or legislation dictate, and making them available to all employees.

Operations Director of Andiamo

The Operations Director is responsible to the Board for the execution of the Policy and Guidelines. In consultation with our legal and other advisers, he will bring to the Board's attention all changes in legislation and any issues arising from the implementation of the Policy and Guidelines, and make recommendations for any necessary changes to the Policy and Guidelines.

The Operations Director will monitor the effectiveness of the Policy and Guidelines, and call for investigations or reports as necessary.

Country Managers

Each Country Manager is responsible for implementing the Policy and Guidelines within every Andiamo site in their particular country and ensuring that any recommendations for improving care of the environment at those sites are acted upon.

Other management and supervisors

Every member of staff who supervises work by others is responsible not only for his own environmental practices but also for those of the people working with him. He should also set a personal example of environmental care and respect for local communities in his own working behaviour. Specific responsibilities include, but are not limited to:

Overall supervision of the working environment for which he is responsible.

Ensuring that working practices in all areas of the Company's premises and sites under his control conform to best environmental practices and promote respect for and engagement with local communities.

Maintaining a working knowledge of and compliance with environmental legislation and regulations pertinent to his work.

Ensuring that all employees and contractors are aware of their responsibilities to relevant legislation, and The Company's Policy and Guidelines in general.

Providing suitable and adequate instruction or training to all employees under their supervision.

Appointing or designating suitably trained and briefed employees to supervise day-to-day working practices as necessary.

Investigating and reporting any incidents or accidents which impact adversely on the natural environment or local communities, that occur within their area of responsibility, and taking action to prevent a recurrence.

All staff

Every employee while at work is responsible not only for his own working practices but also for those of the people working with him. He should also set a personal example of good working behaviour. Specific responsibilities include, but are not limited to:

Being thoroughly conversant with the Company's Policy and Guidelines and observing the rules at all times.

Maintaining a working knowledge of and compliance with environmental legislation and regulations pertinent to his work.

Respecting the rights of local communities and maintaining harmony in all dealings with them.

Complying absolutely with all instructions given by managers or supervisors regarding care of the environment.

Drawing supervisors' or managers' attention to any new environmental or local community concerns.

Making suggestions to minimise environmental impact or improve community relations to their supervisors or managers.

Contractors

Contractors on any of the Company's premises or sites will be the responsibility of the appropriate manager and must be required to conform to environmental standards no less stringent than those of the Company. Employees of the Company below management level cannot be responsible for Contractors. Whilst on any of the Company's premises or sites, Contractors have a duty to:

Observe all environmental and community rules and instructions given by authorised persons enforcing them.

Ensure that all instructions relating to care of the environment and respect for local communities have been read, understood and accepted before starting work.

2. Ensuring good working practices

It is Company practice that working practices should follow wherever possible the environmental and community guidelines set out by the e3 system of the PDAC, and national codes of practice, in so far as they are relevant and appropriate for the countries and areas in which the Company operates.

Environmental impact reviews should be carried out on all activities for which there could be an impact on the natural environment or on local communities.

The Company will issue or modify a Code of Environmental and Community Practice for a particular activity, operation or situation, if indicated by an environmental impact review. Codes of Environmental and Community Practice have been written for a number of situations and form Appendix B of this Policy and Guidelines.

The responsibilities for conducting environmental impact reviews, drawing up Codes of Environmental and Community Practice and monitoring their implementation, are as follows:

All employees must bring to the attention of their supervisor or manager any activity, operation or situation which they consider may have an adverse impact on the natural environment or local communities.

Supervisors and managers must bring to the attention of their Country Manager or a Director any activity, operation or situation which they consider may have an adverse impact on the natural environment or local communities, or any such matter brought to their attention by an employee.

A Country Manager or Director must:

Arrange for an environmental impact review to be carried out on any activity, operation or situation brought to his attention or which he otherwise considers may have an adverse impact on the natural environment or local communities.

Obtain specialised advice if necessary and review international best practice, for example as set out by the AusIMM and the PDAC.

Carry out immediate remedial action where required.

Send a copy of every environmental impact review together with recommendations for good practice and details of any remedial action taken where appropriate, to the Operations Director.

The Operations Director must:

Review every environmental impact review.

Obtain additional specialised advice if necessary.

Draw up or modify a Code of Environmental and Community Practice and / or advise on any remedial action required.

After consultation with at least one other Director, issue the Code of Environmental and Community Practice to all employees.

3. Environmental policies and procedures – International Good Practice

The Board (especially the Operations Director), Country Managers, Project Geologists and other operations staff should familiarise themselves with the following international codes of good practice in exploration.

E3 – Excellence in Environmental Exploration (PDAC)

The PDAC's E3 system, freely available through the PDAC website, provides comprehensive guidance for minimising the impacts of exploration on the environment and host communities. It sets out the following general principles:

Adopt responsible governance and management

Objective: To base the operation of exploration on sound management systems, professional excellence, the application of good practices, constructive interaction with stakeholders, and the principles of sustainable development.

Apply ethical business practices

Objective: To have management procedures in place that promote honesty, integrity, transparency and accountability.

Respect human rights

Objective: To promote the principles of the United Nations Universal Declaration of Human Rights by incorporating them into policies and operational procedures for exploration.

Commit to project due diligence and risk assessment.

Objective: To conduct an evaluation of risks, opportunities and challenges to exploration, and prepare strategies and operational plans to address them before going into the field.

Engage host communities and other affected and interested parties

Objective: To interact with communities, indigenous people, organizations, Companies and individuals on the basis of respect, inclusion and meaningful participation.

Contribute to community development and social wellbeing

Objective: To have measures in place which support the social and economic advancement and capacity building of communities whose lives are affected by exploration while respecting the communities' own vision of development.

Protect the environment

Objective: To conduct exploration activities in ways that create minimal disturbance to the environment and people.

Safeguard the health and safety of workers and the local population

Objective: To be proactive in implementing good practices for health and safety performance in all exploration activities and seek continual improvement.

Useful national codes of good practice

Numerous codes or guides to good practice, freely available online, provide practical guidance to good exploration practice, especially those relating to hot, relatively dry climates like Australia. Examples are:

- Tasmania
- Western Australia
- Victoria
- Fiji
- British Columbia
- Ontario

ANDIAMO EXPLORATION LIMITED

ANTI-BRIBERY

GUIDELINES

Guidelines relating to the Bribery Policy

The UK Bribery Act 2010 which came into force on 1st July 2011 abolished the common-law offence of bribery and created 4 new bribery offences of:

- Offering, promising or giving a bribe to another person;
- Requesting, agreeing to receive or accepting a bribe from another person;
- Bribing a foreign public official; and
- A corporate offence of failing to prevent bribery.

Andiamo Exploration`s bribery policy and these guidelines are intended to ensure that controls and procedures are in place to prevent any of the offences by Andiamo directors, employees, contractors, partners, agents and suppliers. Andiamo can be liable for the corporate offence of failing to prevent bribery if a person ‘associated’ with it bribes another intending to obtain an advantage for Andiamo. Such persons include employees; agents; subsidiaries; contractors; joint venture partners and suppliers, when performing services for Andiamo rather than simply acting as seller of goods/services to Andiamo.

The Company's bribery policy is given force by these detailed Guidelines which will be periodically revised to capture changes in the law, reputational demands and changes in the business. Andiamo will monitor and review its internal controls at least annually to ensure that its overall control environment protects it against the possibility of bribery and corruption, both the direct financial risk involved and reputational risk.

Ethical practices

Andiamo aims to maintain high ethical standards when carrying out its business activities. Practices that are incompatible with Andiamo’s principles and policies will not be tolerated. Adherence to these principles, policies and guidelines are a condition of employment with Andiamo and its subsidiaries. Every member of staff is responsible not only for his own actions but also for those of the people working with him. He should set a personal example of an ethical and honest approach to business in his own working behaviour.

All employees are responsible for preventing, detecting and reporting bribery. Employees or others can report any suspicion of bribery directly to their manager or confidentially to the Board via the whistleblowing procedure. Failure by employees to comply with the bribery policy will result in disciplinary action.

The policy extends to all the Company's business dealings in all countries in which it or its subsidiaries and associates operate. The policy applies to all employees and persons conducting business on behalf of Andiamo, and Andiamo expects equivalent standards of conduct from its contractors and joint venture partners.

Andiamo Exploration recognises that local customs or practices may vary across the territories in which it does business. The Company's bribery policy makes no allowance for any such customs, practices or variations. The Company prohibits any and all inducements which may or do result in a personal gain or advantage to the recipient or any person or body associated with them, and which are intended to influence them to take action which may not be solely in the interests of the Company or of the person or body employing them or whom they represent.

Andiamo takes positive action to implement and maintain an effective risk management environment that make bribery and corruption difficult to attempt; timely discovery inevitable; investigations successful and appropriate censure unavoidable.

To achieve this, the management of the bribery policy is embedded into the business by implementing and assessing the risks that staff, in the course of obtaining business or contracts on behalf of Andiamo, may offer or accept bribes.

Responsibilities for implementing the Company's Bribery Policy and Guidelines

The Board of Andiamo Exploration

The Board is responsible for drawing up the Company's Bribery Policy and Guidelines, for keeping them under review as experience or legislation dictate, and for making them available to all employees.

The Board is responsible for compliance with the policy and guidelines, and for making sure that they are communicated to and understood by all employees and managers.

Through its whistleblowing policy and facility, the Board will make it possible for any employee to raise suspicions or concerns regarding bribery, confidentially at board level.

Managing Director and Finance Director

The Managing Director and Finance Director are responsible for the execution of the Bribery Policy and Guidelines anti bribery and corruption. In consultation with our legal and other advisers, they will bring to the Board's attention all changes in legislation and any issues arising from the implementation of the Policy and Guidelines, and make recommendations for any necessary changes to the Policy and Guidelines.

The Managing Director and Finance Director will monitor the effectiveness of the Bribery Policy and Guidelines, and call for investigations or reports as necessary.

The Managing Director shall formally review the bribery policy and guidelines at least annually and recommend any necessary changes to the Board via the Audit Committee.

Country Managers

Each Country Manager is responsible for implementing the Bribery Policy and Guidelines within every Andiamo site in their particular country and ensuring that any recommendations for improving anti-bribery measures at those sites are acted upon.

Country Managers must in timely fashion report any actual or suspected breach of the Company's Bribery Policy and Guidelines to a Board Director, must cooperate fully with any investigation by the Board and must work with the Board to rectify any deficiency identified in the bribery policy, guidelines or procedures.

Other management and supervisors

Every member of staff who supervises work by others is responsible not only for his own actions but also for those of the people working with him. He should set a personal example of an ethical and honest approach to business in his own working behaviour. Specific responsibilities include, but are not limited to:

- ^ Overall supervision of the operating environment for which he is responsible.
- ^ Ensuring that working practices in all areas of the Company's premises and sites under his control conform to best ethical practices.

- ⤴ Maintaining a working knowledge of and comply with bribery legislation and Company policy and practice.
- ⤴ Ensuring that all employees and contractors are aware of their responsibilities under bribery legislation and The Company's Policy and Guidelines.
- ⤴ Providing suitable and adequate instruction or training to all employees under their supervision.
- ⤴ Investigating and reporting any incidents of suspected bribery and taking action to prevent a recurrence.

All staff

Every employee while at work is responsible not only for his own working practices but also for those of the people working with him. He should also set a personal example of good working behaviour. Specific responsibilities include, but are not limited to:

- ⤴ Being thoroughly conversant with the Company's bribery Policy and Guidelines and observing the rules at all times.
- ⤴ Maintaining a working knowledge of and compliance with bribery legislation and regulations.
- ⤴ Drawing supervisors' or managers' attention to any suspicion of bribery or reporting it confidentially via the whistleblowing procedure
- ⤴ Making suggestions to their supervisors or managers to minimise risk of bribery or corrupt practice.

Contractors

Contractors conducting business on behalf of Andiamo must be requested to adhere to the Company's bribery policy and guidelines, or to conform to standards on bribery and corruption no less stringent than those of the Company. Employees of the Company below management level cannot be responsible for Contractors.

Joint Venture Partners

The Company will make all reasonable efforts to ensure that any Joint Venture Agreement signed by the Company after these guidelines have been adopted by the Board will include a clause requiring the partner to adhere to the Company's bribery policy and guidelines, or to conform to standards on bribery and corruption no less stringent than those of the Company. Employees of the Company below management level cannot be responsible for actions of JV Partners but should inform management or the Board if they become aware of any unethical action by a Joint Venture partner.

Guidelines on "facilitation payments"

Facilitation payments (unofficial payments made to public officials in order to secure or expedite the performance of a routine or necessary action) are illegal and must be avoided. Legally established administrative fees or fast-track services are not facilitation payments. Where individuals are left with no alternative but to make payments in order to protect against loss of life, limb or liberty, the common-law defence of duress is likely to be available.

Where a facilitation payment is requested, employees should seek an alternative way of achieving performance of the action. This could be by taking the matter up with other or more senior officials (but taking consideration not to expose themselves, the Company or others to any physical or financial risk) or taking an alternative approach to performance e.g. using relationships or an agent to perform the task but ensuring that any agent does not pay the facilitation payment on their behalf. In case of doubt, guidance should be sought from the Managing Director.

The Director of the Serious Fraud Office and Director of Public Prosecutions have issued joint guidance stating that, in relation to facilitation payments, prosecutions will normally be instigated unless there are public interest arguments to the contrary. Large or repeated payments, or payments that were planned for or were accepted as a standard way of conducting business, are stated as factors tending in favour of prosecution. A single small payment likely to result in only a nominal penalty; where an organisation has a clear and appropriate policy setting out procedures an individual should follow if facilitation payments are requested and these have been correctly followed, or where the payer was in a vulnerable position arising from the circumstances in which the payment was demanded, are stated as factors tending against prosecution.

The bribery policy is not meant to prohibit the following practices providing they are customary in a particular market, are proportionate and are properly recorded:

- ⤴ normal and appropriate hospitality
- ⤴ the giving of a ceremonial gift on a festival or at another special time
- ⤴ the use of any recognised fast-track process, available to all on payment of a fee
- ⤴ the offer of resources to assist the person or body to make the decision more efficiently provided that they are supplied for that purpose only.

Inevitably, decisions as to what is acceptable may not always be easy. Anyone in doubt as to whether a potential act constitutes bribery should refer the matter to the local senior manager with responsibility for this policy before proceeding. If necessary, guidance should also be sought from the Chairman or Managing Director.

Internal control processes

The design of the Company's HR policies and procedures, including contracts of employment, will ensure that the Company's requirements of honest conduct and appropriate disciplinary censure are communicated to all employees. An appropriate level of due diligence will be conducted to mitigate the risks of bribery being undertaken by employees, proportionate to the risk associated with the post in question. Any dishonesty will be considered to be gross misconduct under the disciplinary code. Training and communication will be offered to staff on anti-bribery and corruption pitfalls and responsibilities.

All suspected bribery and corruption activity will be investigated by a person appointed by the Managing Director, with a view to conducting an internal audit, identifying the perpetrator, taking appropriate action and reviewing any internal control weaknesses that need to be remedied.

Compliance

Andiamo is liable for prosecution if the company does not have evidence that adequate procedures are in place. Andiamo has the following in place as part of these procedures:

- ⤴ A clear statement of an anti-corruption culture fully and visibly supported at the highest level
- ⤴ Principles that are applicable regardless of local laws or culture
- ⤴ Individual accountability
- ⤴ Clear guidelines on gifts, hospitality and facilitation payments
- ⤴ Training at all levels in the company to ensure dissemination of the anti-corruption culture

- ⤴ Regular checks and auditing
- ⤴ Explicit requirements that the bribery code applies to all associates, subsidiaries, partners, contractors and suppliers.

ANDIAMO EXPLORATION LIMITED

WHISTLEBLOWING PROCEDURES

WHISTLEBLOWING PROCEDURES

Reporting

An employee who reasonably believes that inappropriate business conduct is occurring should raise the issue with his/her manager or if this is considered inappropriate, with his/her senior manager. If the employee is not comfortable in reporting to his/her manager or senior manager the conduct or activity should be reported to any of the Designated Directors listed here.

Each Designated Director has a duty to initiate an enquiry into any and all allegations made under the whistleblowing procedure. Unless he deems it inappropriate, he should

report the allegations to the Company Secretary, to the Managing Director or Chairman and to the Audit Committee of Andiamo Exploration.

Investigation

Once a claim of malpractice or misconduct is made, the manager, senior manager or Designated Director will respond to the whistleblower within 10 working days setting out the intended investigation plan. An investigation may include internal reviews, reviews by the external auditors or lawyers or some other external body.

Once the investigation is complete, the appropriate company representative will inform the whistleblower of the results of the investigation as well as any corrective steps that are being taken.

Employees who believe they are being penalised in any way for whistleblowing or who believe that there has been cover up of the action disclosed or who do not consider that they have had a satisfactory response to their disclosure should write to the Chairman of the Audit Committee with the facts.

Safeguards

If requested by the whistleblower, all reasonable steps will be taken to protect his anonymity, but under certain circumstances, to assist with the investigation, the individual's identity may become known or need to be revealed.

Disciplinary Action

If the claim of malpractice or misconduct is substantiated, appropriate disciplinary action will be taken against the responsible individual(s) up to and including termination of employment. Any act of retaliation or victimisation against the whistleblower will result in disciplinary action, up to and including termination of employment.

The malicious use of the whistleblowing policy will result in disciplinary action against the whistleblowing complainant, up to and including termination of employment.

External Disclosure

Whilst internal disclosure is encouraged at all times, an employee may be of the view that there is an exceptionally serious issue which warrants reporting to an external body. Any such disclosure must be in good faith and not for the purposes of personal gain.

Whistleblowing Policy Designated Directors

Mark Parker, Chairman, Andiamo Exploration Limited

Bill Fisher, Non-executive Director