

RISK ASSESSMENT

Instructions: Use this form to assess risks you have identified. **Use a separate form for each risk.**

There are four sections: 1) Consequence, 2) Likelihood, 3) Risk Rating, and 4) Mitigation.

In the Consequence section, you will determine a rating for how severe the consequences of a risk are likely to be. In the Likelihood section, you will determine a rating for how likely it is that the risk will occur. In the Risk Rating section, you will combine these ratings and plot the risk on the matrix provided to categorize the risk as Low, Medium, High, or Extreme. In the mitigation section, you will reflect on different strategies for mitigating the risk. When you are finished, repeat this process for all potential risks you identify.

| CONTACT INFORMATION | |
|----------------------|------------------|
| DATE: | YOUR NAME: |
| COMPANY: | POSITION: |
| PROJECT: | CONTACT DETAILS: |
| RISK BEING ASSESSED: | |

RISK ASSESSMENT (CONTINUED)

SECTION 1: CONSEQUENCE*

Instructions: Select from the categories provided (Insignificant, Minor, Moderate, or Catastrophic) to determine the consequences of the risk from the following perspectives: Financial, Social, Economic, Health and Safety, Environmental, and Reputation. Use the criteria provided in each question category to guide your answer. As a conservative estimate, after answering all of five questions, select the highest rating the risk received. Use this rating when plotting the risk on the matrix provided in the Risk Rating Section.

| | INSIGNIFICANT | MINOR | MODERATE | MAJOR | CATASTROPHIC |
|-----------------|----------------------------------|---------------------------------------|--|---|---|
| FINANCIAL | No impact | Minor impact | Project slightly threatened | Project severely threatened | Project shutdown |
| SOCIAL | Community is unlikely to respond | Limited grievances from community | Multiple grievances | Community outrage | Community protest and outrage; project shutdown |
| ENVIRONMENTAL | No damage | Damage is easily reversible | Short-term damage; still reversible | Medium term damage; may be reversible | Long-term ecosystem function impaired; irreversible damage |
| HEALTH & SAFETY | First-aid case | Medical treatment required | Lost time injury | Single fatality or disability | Multiple fatalities or disabilities |
| REPUTATIONAL | No inconvenience to community | Public disruption; no media attention | Public disruption; local media attention | National media attention; major headlines | International media attention; community relations disaster |

*Adapted from: World Vision, Collaborative Learning Projects, Prospectors & Developers Association of Canada, " Understanding Conflict: Field Tool for Exploration, Field Testing Version July 2010", Page 24; <http://www.cdacollaborative.org/media/52812/Understanding-Conflict-Field-Tool-for-Exploration-Field-Testing-Version.pdf>

RISK ASSESSMENT (CONTINUED)

SECTION 2: LIKELIHOOD*

Instructions: Answer the questions in the space provided. Based on this assessment, determine if the likelihood of the risk occurring is Rare, Unlikely, Possible, Likely, or Certain.

| | | |
|---|--|--|
| 1 | How often does the activity occur (daily, hourly, weekly) ? Note: The greater the frequency, the higher the chances are that the risk will materialize | |
| 2 | Have there been previous incidents related to this risk? Note: The absence of previous incidents does not mean that there is no risk, but may indicate that future incidents are less likely | |
| 3 | Are there foreseeable situations or human interventions that may lead to the risk occurring? (e.g. severe weather, equipment failure, unintended human error/deliberate violation of policies) | |
| 4 | Can you undertake initiatives to control the risk? | |

*Adapted from: Prospectors & Developers Association of Canada; "Excellence in Social Responsibility Toolkit (ESR)", Page 66; <http://www.pdac.ca/docs/default-source/e3-plus---toolkits---social-responsibility/social-responsibility-in-exploration-toolkit-full-document.pdf?sfvrsn=4>

LIKELIHOOD RATING*

Based on the above questions, how likely is it that the risk will occur?

| | | | | |
|---|-------------------------------------|--------------------------------------|---|--|
| Rare - may occur in exceptional circumstances | Unlikely - could occur at some time | Possible - should occur at some time | Likely - will occur in most circumstances | Certain - will almost certainly occur in all circumstances |
|---|-------------------------------------|--------------------------------------|---|--|

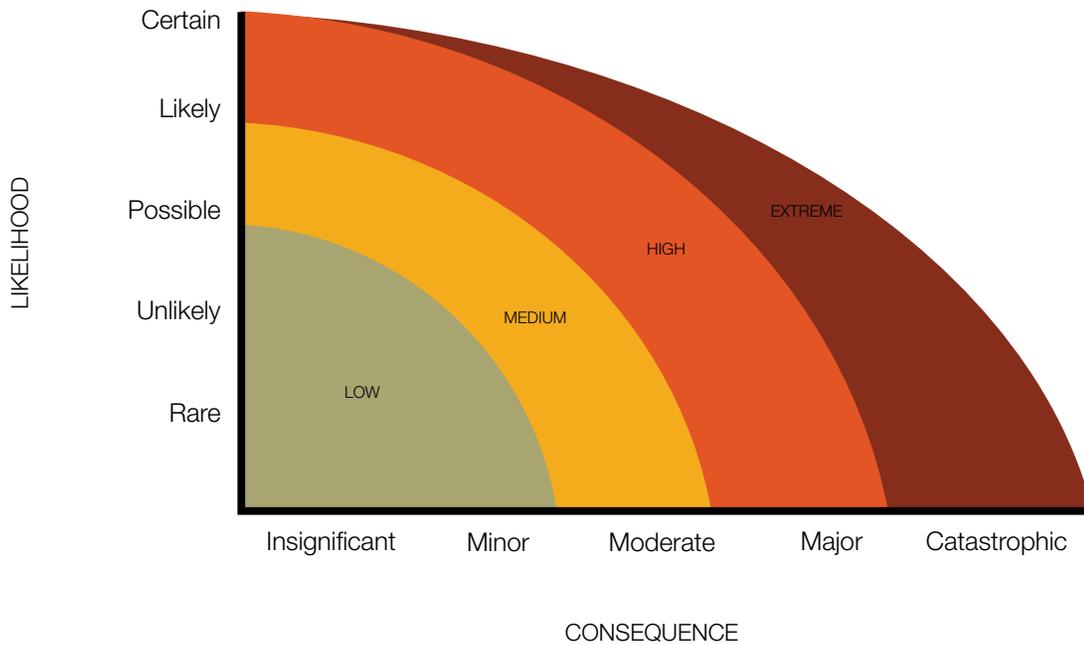
*Adapted from: World Vision, Collaborative Learning Projects, Prospectors & Developers Association of Canada, " Understanding Conflict: Field Tool for Exploration, Field Testing Version July 2010", Page 24; <http://www.cdacollaborative.org/media/52812/Understanding-Conflict-Field-Tool-for-Exploration-Field-Testing-Version.pdf>

RISK ASSESSMENT (CONTINUED)

SECTION 3: RISK RATING*

Instructions: Use the Consequence and Likelihood ratings from sections 1 and 2 to plot the risk on the matrix below. This will yield an overall risk rating of either Low, Medium, High, or Extreme.

For example, if the highest consequence rating a risk received was “Major” and you determined the likelihood to be risk to be “Possible”, the risk rating would be extreme.



Fill in the following table:

| | |
|--------------------|--|
| Consequence Rating | |
| Likelihood Rating | |
| Risk Rating | |

Note: Use these criteria as a starting point for a discussion allowing you to prioritize different types of risk.

*Adapted from: World Vision, Collaborative Learning Projects, Prospectors & Developers Association of Canada, “ Understanding Conflict: Field Tool for Exploration, Field Testing Version July 2010”, Page 25; <http://www.cdacollaborative.org/media/52812/Understanding-Conflict-Field-Tool-for-Exploration-Field-Testing-Version.pdf>

RISK ASSESSMENT (CONTINUED)

SECTION 4: MITIGATION

Instructions: Based on this risk rating you identified above, reflect on the mitigation strategies listed below in the space provided.

Note: In the case of extreme risks, the project should not start until the risk has been addressed and mitigated. When the risk is medium or high, and there is a specific hazardous substance, condition or activity that gives rise to the risk in the first place, you may want to discuss these risks with senior management to determine how the following processes and methods can be used:

| |
|---|
| Elimination: Is it possible to change or eliminate the process, activity or product? |
| |
| Substitution: Can you replace the hazard with something that poses a lesser risk? |
| |
| Redesign: Can you redesign the activity or process to reduce or eliminate risk? |
| |
| Engineering: Are there any controls that you can use to address the hazards? |
| |
| Administration: Can you establish administrative controls and policies to manage the risk? |
| |
| Personal protective equipment (PPE): Can PPE be used as a means of controlling safety risks? |
| |
| Current conflict resolution capacity: What resources currently exist that can help you resolve conflicts in the area? |
| |

*Adapted from: Prospectors & Developers Association of Canada; "Excellence in Social Responsibility e Toolkit (ESR)", Page 69-70; <http://www.pdac.ca/docs/default-source/e3-plus---toolkits---social-responsibility/social-responsibility-in-exploration-toolkit-full-document.pdf?sfvrsn=4>