

1. PURPOSE:

- 1.1 The Board of Australian Solomons Gold Limited ("the Company") believes the safety and health of all people associated with its activities is paramount to a successful business.
- 1.2 The purpose of this Board Policy Document is to provide guidance on the manner in which the Board of the Company ("the Board") proposes to prevent work related incidents, illnesses and injuries
- 1.3 This Board Policy Document will be regularly reviewed and may be amended by the Board at its discretion at any time so as to continue to be aligned with the broad objectives of the Company and its subsidiaries.

2 GENERAL POLICY:

2.1 The Company's policy on Health & Safety sets out to achieve the above Purpose by:

- (1) Having clear and committed leadership wherein safety and health are an integral part of normal operations and long term strategy;
- (2) Developing a strong safety and health culture in the workplace;
- (3) Implementing safety and health management systems;
- (4) Involving employees and contractors in the implementation and improvement of these systems;
- (5) Requiring that all contractors conduct their operations consistent with the Company's policy.
- (6) Identifying, assessing and managing risks to safety and health as an integral part of operating plans;
- (7) Communicating to every employee the importance of understanding and complying with the Company's safety and health policies;
- (8) Complying with all applicable legislation;
- (9) Providing employees with the necessary skills, training and equipment to safely undertake their work;
- (10) Implementing appropriate emergency procedures;
- (11) Regularly reviewing and auditing systems and performance against its objectives; and
- (12) Implementing a program of continuous improvement.

3 GRML POLICY:

- 3.1 Gold Ridge Mining Limited (GRML) is the subsidiary of the Company operating the Gold Ridge Project, on Guadalcanal in the Solomon Islands, and has prime responsibility for implementing and maintaining the Company's policy of Health & Safety matters.
- 3.2 The Gold Ridge Project is an important project in the re-development of the Solomon Islands and the Company and GRML are committed to achieving a high standard of Health & Safety management through continuous improvement of Health & Safety awareness.
- 3.3 The Company has a goal of zero accidents, with belief that all accidents are preventable. According to these principles the Company is developing a safety culture which focuses on two key principles:
 - (1) Safety Management System:

Minimising and removing unsafe conditions through the development of procedures, guidelines and standards, employees have been given a set of tools with which to minimise and manage the risks associated with working in a modern mining and processing operation. The Gold Ridge Safety Management System is being developed to cover all relevant topics, from hazard management to physical safety; and

- (2) Reducing and eliminating unsafe acts:

A significant focus is developing safety culture around people. Safety communication and training are the cornerstones of this development, with safety being formally addressed at meetings at all levels. A system of issuing English and local language 'Safety Alerts' is seen as a valuable safety communication tool, and will be integrated into the Safety Management System.

- 3.4 In order to ensure compliance with the Safety Management System, a workplace inspection system is to be developed. The system will consist of relevant elements in three key categories, including:

- (1) workplace and housekeeping
- (2) mechanical, electrical and guarding
- (3) safety management and equipment

Approved by the Board on [27] day of April 2006

Signed for an on behalf of the Board of Australian Solomons Gold Limited

Stephen C Everett

Chairman