

## **CODE OF CONDUCT FOR DIRECTORS, OFFICERS, EMPLOYEES AND CONSULTANTS**

### **1.0 GENERAL**

Eloro Resources Ltd. and its subsidiaries (collectively referred to as “**Eloro**” or the “**Company**”) are dedicated to the principle of ethical and legal business conduct. Eloro expects its Directors, Officers, all other employees (“**Employees**”) and Consultants throughout the world to comply at all times with all domestic and foreign laws and regulations governing its operations.

The concept of ethical considerations often goes beyond what is lawful and it is occasionally difficult to determine whether an action is ethical or not. It is useful to discuss potential situations with an appropriate Company Officer to determine the appropriateness of an action beforehand and proactive consultation is encouraged. Good intentions and failure to seek timely advice will not excuse violations of this Code of Conduct (this “**Code**”).

A good test for deciding whether you are doing the right thing ethically is to ask the question:

*“If there was full public disclosure of the facts, would it embarrass me, Eloro, my fellow employees or members of my family?”*

In order for a Director, Officer, Employee or Consultant to conduct himself/herself in accordance with the specific provisions of this Code, the following general guidelines must also be observed. Every employee who has executive or managerial responsibilities is expected to ensure that this Code is communicated to and understood by all employees and consultants reporting to him or her.

While employed or retained by the Company, or in the case of Directors, during the term of their mandate on the Board of Directors of the Company (the “**Board**”), one must always act with prudence and diligence in the carrying out of their functions and duties, and always in strict accordance with the rules or code of ethics associated with their respective profession or occupation. They must further conduct themselves with the utmost honesty and integrity when carrying out such functions or duties, and always in the best interest of the Company. In addition, while employed by the Company, everyone shall utilize all Company property in a reasonable and prudent manner. Any misuse or misappropriation of Company property can lead to disciplinary action, including dismissal.

Failure to comply with this Code can have severe consequences for both the offending party and the Company. The Company and the Board will impose appropriate measures for violations of this Code, which may include the retention of amounts due, dismissal and prosecution.

Directors and Officers will be required, on an annual basis, to complete and return to the Corporate Secretary, the “Acknowledgment, Agreement and Compliance Form” found on the last page of this document.

### **2.0 REPORTING OF CONCERNS AND COMPLAINTS**

The Company is committed to maintaining the highest standards of honesty and accountability, and recognizes that each of its Directors, Officers, Employees and Consultants has an important role to play in achieving this goal.

Therefore, Directors and Officers are responsible for reporting a violation or possible violation of this Code, or a contravention to the scope and intent of this Code, or any misconduct that they become aware of, in the case of an Officer, to the Company's Chief Executive Officer, or, in the case of a Director, to the Chairman of the Board. Employees or Consultants are responsible for reporting a violation or possible violation of this Code, or a contravention to the scope and intent of this Code, to the Chief Executive Officer or the Chairman of the Board.

2.1 Although it is impossible to list all of the conducts the Company is concerned about, Directors, Officers, Employees or Consultants would be expected to report:

- Criminal conduct;
- Fraud or misappropriation, or questionable accounting practices;
- Failure to comply with legal or regulatory obligations;
- Failure to comply with, or efforts to circumvent, the Company's internal compliance policies or internal controls;
- Actions that endanger health or safety, or might cause environmental damage; and
- Actions designed to have the effect of concealing any of the foregoing.

If in doubt about whether a particular situation or circumstance constitutes a violation or possible violation of the policy, or contravenes the scope and intent of this policy, or constitutes misconduct, Employees and Consultants must immediately consult the Company's Chief Executive Officer, Directors must consult the Chairman of the Board and Officers must consult the Chief Executive Officer or the Chairman of the Board.

2.2 In the case of accounting or auditing matters, a Director, Officer, Employee or Consultant may communicate his concern or complaint in an anonymous manner. Anonymous letters, e-mails and phone calls pertaining to accounting and auditing matters will be investigated and acted upon in the same manner as if his identity were known. All communications should contain as much specific detail as possible to allow the appropriate personnel to conduct an investigation of the reported matter. In the case of anonymous complaints, if the Company does not have sufficient information to investigate the matter, then it may not be able to investigate such matter thoroughly.

2.3 All letters, e-mail and transcripts of telephone calls will be kept in confidence and acted upon only by designated personnel unless disclosure is required or deemed advisable in connection with any governmental investigation or report, in the interest of the Company, or in the Company's legal handling of the matter. The Director's, Officer's, Employee's or Consultant's report will be investigated internally or if necessary, will be referred to the appropriate law enforcement or regulatory authorities.

2.4 Company policy prohibits retaliatory action against anyone whom, in good faith, reports suspected wrongdoers, unless the individual reporting is one of the violators. The Company will not tolerate any harassment or intimidation of anyone who reports a violation or misconduct. Disciplinary action will be taken against any person who retaliates, directly or indirectly, or encourages others to do so, against anyone who reports a violation. The Company is also prohibited by law from discriminating on the terms and conditions of employment of someone who provides information or otherwise assists in regulatory, governmental or authorized company investigations of conduct which he reasonably believes constitute statutory or regulatory violations.

### **3.0 CONFLICTS OF INTEREST**

Directors, Officers, Employees and Consultants are obliged to ensure that the Company receives the maximum value and the full benefit of goods and services for the price it pays. They must avoid creating or being placed in situations that could compromise the Company's relationships or subject its reputation to unwarranted suspicion.

In addition, Directors, Officers, Employees and Consultants must handle in an ethical manner any actual or apparent conflict of interest between their personal and professional relationships. When aware of a situation of conflict of interest, Officers must notify the Company's Chief Executive Officer, while Directors must notify the Chairman of the Board. When in doubt as to whether a specific situation constitutes a conflict of interest, Officers must consult the Company's Chief Executive Officer, while Directors must consult the Chairman of the Board.

### 3.1 Purchases by Directors, Officers, Employees and Consultants

Purchases by or on behalf of the Company of any goods or services from entities wholly or partially owned or operated by other employees of the Company, their spouses or relatives, as well as purchases made based on non-professional or personal relationships are prohibited unless written approval is requested of and received from the Chief Executive Officer. If any such relationship presently exists, the Chief Executive Officer must be notified, and, unless the arrangement is authorized, the relationship must be terminated within 30 days of the date of notification.

### 3.2 Hiring of Directors, Officers, Employees and Consultants's relatives

No Director, Officer, Employee or Consultant of the Company may hire or employ his/her spouse or any of his/her relatives to work for the Company as an employee or as a contractor without obtaining prior written approval of the Board.

### 3.3 Gifts or benefits received or given in the course of business

It is strictly prohibited to solicit or receive any gift, loan, reward, advantage, or benefit of any kind from the Company's suppliers, customers or other individuals or entities, in exchange for any decision, act or omission by a Director, Officer, Employee or Consultant in the course of carrying out his or her functions for the Company. Similarly, Directors and Officers shall not attempt to influence the decisions of a customer, supplier or other firm that does business with the Company, by conferring gifts or any other benefits on individual employees or officials of the other firm.

Directors, Officers, Employees and Consultants may occasionally give or receive small gifts as tokens of appreciation from suppliers or customers and must use common sense in determining their reasonableness in particular circumstances. When in doubt as to the reasonableness of a particular gift, Officers, Employees and Consultants must consult the Chief Executive Officer, while Directors must consult the Chairman of the Board.

## 4.0 COMPLIANCE WITH LAWS

The Company will comply with all laws applicable to the Company's business in the countries in which Eloro operates.

Eloro and its Directors, Officers, Employees and Consultants will comply with all legal requirements applicable to our business. Ignorance of the law is not a defence. Each Director, Officer, Employee and Consultant is responsible for understanding the laws that govern his or her work. Unlawful conduct will not be tolerated, even when the intent is to further other legitimate corporate objectives. Directors, Officers, Employees and Consultants are encouraged to seek legal advice from an appropriate Company Officer and/or if necessary in-house legal counsel if they are unclear about laws regarding their work.

## 5.0 IMPROPER PAYMENTS TO PUBLIC OFFICIALS

It is strictly prohibited to make payments to or to confer any other benefits on a public official or candidate for public office (an "official") in any country in order to obtain a business advantage. Such conduct is a

criminal offence in Canada and other countries where the Company carries on business.

More specifically, it is strictly prohibited to give or offer to an official, a gift, loan, reward, advantage or benefit of any kind:

- (a) in exchange for an act or omission by the official in connection with the performance of the official's duties or functions; or
- (b) to induce the official to use his or her position to influence any acts or decisions of the domestic or foreign government body for which the official performs duties or functions. For the purposes of this policy, “**domestic**” shall mean Canada, and any political subdivision thereof, and “**foreign**” shall mean all other countries and any political subdivision thereof.

It is also strictly prohibited to condone any such giving or offering by another person who may be viewed as representing the Company (e.g., a business representative or agent, or a joint venture or other business partner).

If an attempt is made by an official (or by another person on behalf of an official) to solicit or extort a benefit of any kind, it must not be complied with and should immediately be reported in full detail, in the case of an Officer, employee or consultant, to the Chief Executive Officer or, in the case of a Director, to the Chairman of the Board.

When doing anything that might be construed as conferring a benefit on an official (e.g., hosting dinners and other forms of entertainment, or making small gifts as a courtesy), Directors, Officers, Employees and Consultants must use common sense in relation to the appropriateness and the relative value of the gift or benefit in the circumstances and ensure that the Company's integrity, reputation and values are not compromised.

## **6.0 ANTI-COMPETITIVE CONDUCT**

A policy of vigorous and fair competition, in compliance with domestic and foreign antitrust laws, is in the best interests of the Company and all its stakeholders. In general, antitrust laws prohibit contracts, combinations, conspiracies, agreements or other arrangements, whether in writing or otherwise, that limits or restricts competition. Every Director, Officer, Employee and Consultant is expected to be sensitive to situations where antitrust issues may exist and to comply fully with all antitrust laws that apply to the Company's operations throughout the world.

Each Director, Officer, Employee and Consultant must not only comply with the requirements of domestic and foreign antitrust laws, but must also be seen to comply. Conduct which is not necessarily illegal, but which could give rise to the inference that an offense has been or is likely to be committed, may be misconstrued by persons who overhear conversations, read reports or otherwise learn of conduct of this nature. Such conduct must be avoided, since investigations, even those that do not lead to charges or convictions, can be very costly and time-consuming, as well as damaging to the Company's reputation. Each Officer, Employee or Consultant must immediately report any concerns relating to possible anti-competitive behaviour to the Chief Executive Officer while each Director must report to the Chairman of the Board.

## **7.0 USE OF CONFIDENTIAL INFORMATION**

The Company's confidential information, trade secrets and other proprietary information (collectively, “**Confidential Information**”) are valuable assets. Pursuant to certain agreements entered into with third parties, the Company also has access to similar information belonging to others. Confidential undertakings with such parties must be respected.

7.1 Confidential Information comprises any information that is not publicly known, including without limitation business research, information regarding the Company's mineral properties, market plans, strategic objectives, unpublished financial information, vendor lists, personnel information, computer software, and similar information regarding the Company's customers. Protection of this information plays a vital role in the Company's ability to remain competitive and in maintaining its business reputation. Directors, Officers, Employees and Consultants are obligated to hold such information in trust for the benefit of the Company. Directors, Officers, Employees and Consultants are therefore prohibited from discussing, disclosing or using for their own purposes any Confidential Information about or relating to the Company or in the possession of the Company unless such use or disclosure has been authorized. In any event, Confidential Information should not be disclosed to any other Company Employee or Consultant except on a "need to know" basis.

7.2 A Director, Officer, Employee or Consultant's obligations with respect to Confidential Information continue even after he/she leaves the employ of the Company (or, in the case of a Director, after the end of his or her term as a member of the Board) until the information becomes publicly available or the Company no longer considers it confidential, a trade secret, or proprietary. Documents and records of any kind, specific process knowledge, procedures, and special Company ways of doing things -- whether confidential or not -- are the property of the Company and must remain at the Company.

## **8.0 EMPLOYMENT PRACTICES**

The Company recognizes that it must earn the loyalty that it expects from its employees. The Company is committed to treating its employees ethically and fairly. In particular, the Company strives to ensure the following:

- no discrimination on the basis of gender, physical or mental disability, age, marital status, sexual orientation, religious belief, race, colour, ancestry or place of origin;
- fair and competitive compensation;
- fairness in performance appraisals and job advancement;
- protection of employees from harassment; and
- confidentiality of employee records.

All employees, and particularly managers, must maintain and promote these principles in their hiring practices and in their relationships with other employees.

## **9.0 USE AND DISCLOSURE OF INSIDER INFORMATION**

It is the Company's policy to make true, timely and complete disclosure of important information concerning its activities (also see the Company's Insider Trading Policy).

Until a reasonable time after such information has been properly disclosed by the Company, Directors, Officers, Employees and Consultants shall not use, for their own personal gain or for the benefit of others, information concerning the activities of the Company not generally known to the public ("**insider information**"). Directors, Officers, Employees and Consultants are also prohibited from passing on insider information to others, except in the necessary course of business. Misuse or improper disclosure of insider information could violate certain laws. The law specifically prohibits all Directors, Officers, Employees and Consultants from trading or persuading others to trade in shares or other securities of the Company or those of another company, where such person has knowledge of material facts concerning the Company, which, if generally known, might reasonably be expected to affect the value of those shares or securities.

## **10.0 CONFIDENTIALITY OF PERSONAL INFORMATION**

The Company collects and maintains personal information, which relates to employment, including medical and benefit information. Care is taken to limit access to medical information to the Company.

Personal Information is released only to personnel with a legitimate need to know. Company policy mandates that personal information be released to non-Company persons only with employee approval, except where it is used to verify employment or to satisfy legitimate investigatory or legal requirements. Employees who are responsible for maintaining personal information and those who are provided access to such information must ensure that personal information is not disclosed in violation of the Company's policies or practices.

## **11.0 PROPER MAINTENANCE OF BOOKS, RECORDS AND REPORTS**

All transactions of the Company must be properly recorded and accounted for in its books. This is essential to the integrity of the Company's governmental and financial reporting obligations. In addition, Officers and Employees shall comply with departmental policies and procedures relating to the retention and orderly destruction of the Company's records and documents.

## **12.0 REQUESTS BY REGULATORY AUTHORITIES**

The increasing regulation of business makes it likely that, from time to time, various foreign or domestic governmental representatives may ask or require that the Company disclose documents or information or review various aspects of its operations. Any such requests should immediately be reported to the Chief Executive Officer. No interviews, statements or access to records of any Company entity should be granted until legal counsel has had the opportunity to review the request. Typically, the official has the right to request the information, but the Company also has the right to determine the reasonableness of the request to be sure that all responses are complete and accurate, and to ascertain whether it should exercise its right (and the employee's right) to have counsel present.

Whenever such a request is received, however, there must be no attempt to obstruct the official or the official's investigation in any way, e.g., by destroying potentially relevant documentation. To the extent that a document retention program is in place that authorizes the destruction of documents or other papers, it shall immediately be suspended once such a request for information is made and until further notice from the Chief Executive Officer.

## **13.0 RETURN OF COMPANY PROPERTY**

When an Officer, Employee or Consultant leaves the Company's employment, he or she is responsible for returning all supplies, computer equipment, facsimile machines, software, keys, credit cards and other Company property. If such property is maintained outside the facilities of the Company, the Officer, employee or Consultant agrees to promptly return such property or if necessary to fully cooperate with the Company's efforts to retrieve such property.

## **14.0 FRAUDULENT CONDUCT**

Any act, omission or behaviour on the part of a Director, Officer, Employee or Consultant undertaken with the intent to defraud or mislead the Company, whether financially or otherwise, will be grounds for disciplinary action, which may include retention of amounts due, dismissal and prosecution.

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**ACKNOWLEDGEMENT, AGREEMENT AND COMPLIANCE FORM**

**AGREEMENT AND COMPLIANCE**

Each Director and Officer is required to sign the Acknowledgement, Agreement and Compliance form on an annual basis. The signed forms will be kept, in the case of an Officer, in his or her personnel file or, in the case of a Director, by the Chairman of the Board.

\_\_\_\_\_  
**Name**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**