

INTRODUCTION

Recommendations of ASX

Principle 3 of the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations (**Recommendations**) recommends that the Company establish a code of conduct (**Code**) to guide its directors, chief executive officer (or equivalent), chief financial officer (or equivalent) and any other key executives as to:

- (1) the practices necessary to maintain confidence in the Company's integrity; and
- (2) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Principle 10 of the Recommendations also recommends that the Company establish and disclose a wider corporate code of conduct (**Corporate Code**) to guide compliance with legal and other obligations to legitimate stakeholders. The Corporate Code may discuss how the Company will approach trade practices, consumer protection, privacy, employment, occupational health and safety, superannuation and environmental issues.

The ASX Corporate Governance Council recommends that the Company determines its own policies to influence the behaviour of directors and key executives and depending on the nature and size of the Company's operations, the Code may be contained within the Corporate Code or stand alone.

The following Code takes into account issues relating to both the Code and the Corporate Code.

This Code sets ethical standards for the directors and key officers of the Company and reflects the directors' and key officers' intention to ensure that their duties and responsibilities to the Company are performed with the upmost integrity.

CLONCURRY METALS LIMITED

A.C.N. 122 162 396 ("the Company")

BOARD POLICY No. 1

CODE OF CONDUCT

1 PURPOSE

- 1.1 The Board of Cloncurry Metals Limited ("the Company") believes it is necessary to establish a Code of Conduct to apply standards for appropriate ethical and professional behaviour for all employees and Directors working for the Company or subsidiary companies.
- 1.2 The purpose of this Board Policy is to provide guidance on the manner in which the Board of the Company ("the Board") proposes to establish the fundamental values, which form the basis of and underpin all of the Company's business relationships.
- 1.3 This Board Policy 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 EXECUTIVE CODE OF CONDUCT

- 2.1 This code of conduct is intended to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:
 - (1) The practices necessary to maintain confidence in the integrity of the Company; and
 - (2) The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
- 2.2 The following principles govern the conduct of each director and key executive of the Company ("Key Individual"):
 - (1) **Company information:**

Each Key Individual must not take advantage of property or information of the Company, their position with the Company, or any opportunities arising from such property, information or position, for personal gain of the Key Individual or any other person, nor use such property, information or position to compete in any way with the Company.
 - (2) **Business enterprise:**

Each Key Individual must protect and properly use the assets of the Company for the legitimate business purposes of the Company.
 - (3) **Compliance:**

Each Key Individual must actively promote compliance by the Company with all laws and regulations affecting the Company.
 - (4) **Ethics and behaviour:**

Each Key Individual must actively promote ethical behaviour by the Company and protect persons who, in good faith, report unlawful or unethical behaviour by the Company or any employee of the Company.

(5) Trading in securities:

Key Individuals (and their associates) are prohibited from engaging in short-term trading of Company securities and must comply with the Company's Trading Blackout Policy.

(6) Integrity and professionalism

Each Key Individual will act honestly and with integrity in all of their dealings for the Company.

Each Key Individual will maintain the highest levels of professional conduct in their interactions with colleagues, business partners and in representing the Company in the community.

Each Key Individual will not discriminate on the grounds of people's race, religion, gender, marital status or disability.

Each Key Individual will be truthful, and not mislead or make any false statements, nor mislead by omission. Directors will not make promises or commitments that the Company does not intend, or would be unable, to honour.

(7) Conflicts of interest

Each Key Individual will fully disclose any business interest (public or private) and any other matters which may lead to potential or actual conflicts of interest, in accordance with such policies adopted by the Company from time to time.

Each Key Individual owes their first duty to the Company. In circumstances where other roles (whether serving as directors or trustees of another organisation) potentially conflict with the Company's interests, the Key Individual will advise and seek approval from the Chairperson in accordance with this Code.

Each Key Individual will not use their role within the Company for political interests at any time, or for community interests unless authorised by the Company.

(8) Confidential information

Each Key Individual must ensure that confidential information relating to the Company, its customers, its operations, or any other commercially sensitive matter, are not given either inadvertently or deliberately to third parties without the consent of the Company. Other than in circumstances required by law, there is no reason for a Key Individual to reveal confidential information. Confidential information which is to be released to legitimately interested third parties shall only be made so available after appropriate authorisation procedures have been followed.

A Key Individual will maintain and observe their obligations of confidentiality and proper use of information even after leaving the Company's employment.

(9) Inside information

Each Key Individual must not use inside information for personal gain.

If a Key Individual has inside information (being price sensitive information, information not in the public domain or information about any entity related to the Company or a strategic partner of the Company which has come to the knowledge of the Key Individual through their employment by the Company), the Key Individual must not deal in that entity's securities or pass that information on to another person or encourage another person to deal in that entity's securities (securities includes shares, units or any firm of derivatives such as warrants or options).

Key Individual will comply with the Securities Trading Policy of the Company.

(10) Benefits to Key Individual

A Key Individual must not use their status as a director or senior executive of the Company to seek personal gain from those doing business or seeking to do business with the Company.

Each Key Individual of the Company must not accept payments, gifts or entertainment benefits beyond that which would be considered normal business practice. Each Key Individual must report the offering of any such benefit to the Chief Executive Officer.

(11) Fair dealing

The Company is committed to fair competition and trading in all markets in which it operates.

Each Key Individual will take into account the impact of environmental, health and safety, and competition issues when making business decisions. The Key Individual will ensure that these business decisions do not compromise the Company's commitment to avoiding injury to people, damage to the environment or the maintenance of competitive markets, and will ensure that the Company complies at all times with all relevant laws.

(12) Observance of the Code of Conduct

Each Key Individual will report and record any behaviour that involves non-compliance with this Code. The Chairperson will be made aware of any such acts or behaviour and take any action that is considered appropriate in the circumstances. Each Key Individual will take care to ensure that the application of this Code is enacted in word and deed.

Each Key Individual will work collaboratively and will apply the principles of this Code to their duties and responsibilities on a daily basis.

3 EMPLOYEE CODE OF CONDUCT

3.1 The Company's Code of Conduct sets ethical standards for the Company employees to embrace and advocate. This ethical framework delivers an environment in which the Company employees can excel regardless of race, religion, age, disability or gender. The following six principles govern conduct, wherever the Company operates.

(1) Honesty and integrity

Employees will not make statements, promises or commitments that they do not believe to be true or which they or the Company do not intend, or are unable, to honour:

- a) Employee conduct will be such that their honesty is beyond question;
- b) In all communications, employees will adhere to the truth, and will not knowingly make false statements, nor mislead directly, indirectly or by omission;
- c) Employees will at all times deal fairly and in good faith with the Company's customers, suppliers and competitors, as well as with work colleagues and other parties;
- d) Employees will treat all people with respect and will undertake their duties with care and diligence, and will uphold the Company's values; and
- e) Employees will protect the Company's reputation and assets.

(2) Personal transactions and gain

Employee personal dealings will be kept separate from their business dealings:

- a) Employees will not use the name of the Company, nor any information obtained in the course of their employment or as a result of their position with the Company, to further any personal transaction or gain; and
- b) Employees will use goods, services and facilities provided to them by the Company strictly in accordance with the terms on which they are provided, and will ensure that such goods and facilities are properly protected.

(3) Confidentiality of information

Employees will respect the privacy of others:

- a) Employees will take care to ensure that confidential information relating to customers, work colleagues, suppliers and the Company's operations is properly protected and not disclosed to third parties, unless allowed or required under relevant law or regulation; and
- b) Employees will not use information obtained in the course of my employment or as a result of their position with the Company for personal financial gain, nor allow that information to be used to obtain financial benefit for any other person or company.

(4) Conflict of interest

Employee primary business loyalty is to the Company:

- a) Employees will immediately and fully disclose to their supervisor any personal matters that may lead to actual or perceived conflicts of interest; and
- b) Employee dealings with customers, suppliers and other parties will always be at arm's length to avoid the possibility of actual or perceived conflicts of interest.

(5) Abiding by the law and this code

Employees will abide by the law and this code:

- a) Employees will not take any action, nor allow any omission, that will breach any law or regulation (including insider trading laws) of the country in which I work;
- b) Employees will immediately report knowledge of any actual or potential breaches of the law or this code to their supervisor so that appropriate action can be taken;
- c) Employees understand that if they breach any law or provision of this code, the breach will be investigated, which could result in disciplinary action, including termination of their employment with the Company; and
- d) Employees will comply with all statutory and internal disclosure requirements on a timely basis and if applicable to them, will ensure the full, fair, accurate and understandable, disclosure of matters in financial reports.

(6) Payments, gifts or entertainment

Employees will not accept or provide any gift or entertainment in breach of this CODE:

- a) Employees will not use their employment status or position at the Company to seek personal gain from those doing business or seeking to do business with the Company, or from any other person or company;
- b) Employees will not accept any cash payments but may accept gifts if the market value of the gift is less than AUD200 (or equivalent), provided that such gifts are not given in return for any consideration;
- c) Employees will not accept or provide any entertainment that could reasonably be seen to be excessive or abnormal; and
- d) Employees will not offer, promise or provide a bribe, in any form, to any person, either directly or indirectly, and employees will not accept a bribe from any person.

Approved by the Board on day of 2nd April, 2010

Signed for an on behalf of the Board of Cloncurry Metals Limited

Mr Stephen Craig Everett
Chairman