

SUNWARD RESOURCES LTD.

Code of Business Conduct and Ethics

1.0 INTRODUCTION

The Board of Directors of Sunward Resources Ltd. (“Sunward ”)¹ has determined that, on the recommendation of the Corporate Governance Committee, Sunward should formalize its commitment to conducting its business and affairs in accordance with the highest ethical standards by enacting a code of business conduct and ethics.

2.0 GENERAL PRINCIPLES

Sunward is committed to conducting its business and affairs with honesty, integrity and in accordance with the highest ethical and legal standards.

This Code of Business Conduct and Ethics (the “Code”) provides a set of ethical standards by which each director, officer, employee, consultant and contractor of Sunward will conduct his or her business.

This Code is intended to give an overview of Sunward ’s expectations for its directors, officers, employees, consultants and contractors and is supplemented by other policies adopted by Sunward .

3.0 APPLICATION OF THIS CODE

This Code applies to all directors, officers, employees, consultants and contractors of Sunward and for each officer and employee constitutes conditions of employment, and for each consultant and contractor constitutes conditions of providing services to Sunward . Each such person agrees to be bound by the provisions of this Code upon notification of the most recent copy being given to them.

4.0 COMMUNICATION OF THIS CODE

To ensure that all directors, officers, employees, consultants and contractors of Sunward are aware of this Code, a copy of this Code will be provided to each or, alternatively, they will be advised that this Code is available on Sunward ’s website for their review. All directors, officers, employees, consultants and contractors will be informed whenever significant changes are made. New directors, officers, employees, consultants and contractors will be educated about its importance.

¹ This Code applies to Sunward Resources Ltd and all of its subsidiaries. Accordingly, this Code will refer to Sunward and its subsidiaries as “Sunward ”.

5.0 COMPLIANCE WITH LAWS, CODE AND POLICIES

All directors, officers, employees, consultants and contractors, in discharging their duties, will comply with:

- the laws, rules and regulations of the location in which Sunward is performing business activities;
- this Code; and
- all corporate policies, which address many of the following expectations in more detail and including, without limitation, the following principal corporate policies:
 - Foreign Corrupt Practices Policy
 - Corporate Disclosure Policy
 - Insider Trading Policy
 - Safety, Environmental and Social Responsibility Policy
 - Authority Limits Policy

No one working for Sunward , regardless of his or her position, will ever commit an illegal or unethical act, or will instruct any officer, employee, consultant or contractor to do so.

If you are confronted with a situation that raises an issue under this Code or other corporate policies, ask yourself these questions:

- Is the life, health or safety of anyone, or the environment, endangered by the action?
- Is it legal?
- Does it feel honest, fair and ethical?
- Does it compromise anyone's trust or integrity?
- Would the public disclosure of the activity in any way be embarrassing to you, Sunward or any other affected employees?

You should be sufficiently familiar with any laws and regulations and corporate policies and procedures that apply to your area of work and responsibility. That will permit you to recognize possible breaches and to know when to seek advice. If in doubt, you should discuss the matter with a member of senior management.

6.0 ANNUAL CERTIFICATION REGARDING COMPLIANCE

All directors, and officers of Sunward , together with any employees, consultants and contractors the Board of Directors of Sunward may decide, will provide an annual certification to Sunward confirming compliance with all laws, rules and regulations of the location in which Sunward is performing business activities, as well as compliance with all Sunward policies.

The Chief Commercial Officer and/or Company Secretary of Sunward will be responsible for ensuring that all annual certifications are obtained on or before the end

of the first fiscal quarter of each year, and for providing written confirmation to the Board of Directors that such certifications have been obtained and summarizing the results thereof.

7.0 STANDARDS OF GOOD PROFESSIONAL ETHICS

Sunward intends that its good reputation will be maintained and, accordingly, all of Sunward's activities will be carried out ethically and with honesty and integrity, in the expectation that these activities will become a matter of public knowledge. Anything less is unacceptable and will be treated as a serious breach of duty.

8.0 PROTECTION AND PROPER USE OF ASSETS

All directors, officers, employees, consultants and contractors of Sunward will deal with Sunward's assets, including all data, information (confidential or otherwise), records, material, facilities and equipment, with the strictest integrity and with due regard to the interests of shareholders and all other stakeholders. Sunward's assets may not be used for personal gain or benefit. In addition, all directors, officers, employees, consultants and contractors must protect such assets from loss, damage, misuse, theft and waste and ensure that such assets are used only for legitimate business purposes.

9.0 GOOD AMBASSADORSHIP

All directors, officers, employees, consultants and contractors are ambassadors of Sunward in both their business and personal lives. While Sunward supports the freedom of the individual to pursue life in his or her own way outside of business hours, directors, officers, employees, consultants and contractors are encouraged to act in a manner which upholds their good reputation and that of Sunward.

All directors, officers, employees, consultants and contractors will represent Sunward in a professional manner at all times. Neither the reputation nor the image of Sunward will be jeopardized at any time. The behavior of all directors, officers, employees, consultants and contractors is seen to reflect that of Sunward, so all actions must reflect the policies of Sunward.

10.0 CONFLICT OF INTEREST

Directors, officers, employees, consultants and contractors, in discharging their duties, will act honestly and in good faith with a view to the best interests of Sunward.

Directors, officers, employees, consultants and contractors will avoid situations involving a conflict, or potential conflict, between their personal, family or business interests, and the interests of Sunward.

Directors, officers, employees, consultants and contractors will perform their duties and arrange their personal business affairs in a manner that does not interfere with their independent exercise of judgment. No officer or employee of Sunward will

accept financial compensation of any kind, nor any special discount, loan or favor, from persons, corporations or organizations having dealings or potential dealings with Sunward , and no consultant or contractor working for Sunward will accept financial compensation of any kind, nor any special discount, loan or favor, from persons, corporations or organizations in respect of dealings or potential dealings with Sunward .

Outside directors of Sunward are not expected to devote their time and effort solely on behalf of Sunward , and they may have a variety of other business relationships that could give rise to a conflict of interest. Any such potential conflicts of interest are not subject to the Code and are to be resolved directly with the Board of Directors.

11.0 CORPORATE OPPORTUNITIES

Directors, officers and employees are prohibited from taking for themselves opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain. Officers and employees are also prohibited from competing with Sunward directly or indirectly and owe a duty to Sunward to advance the legitimate interests of Sunward when the opportunity to do so arises.

Outside directors of Sunward may have a variety of other business relationships involving duties of loyalty. In addition, outside directors do not, as a general matter, have the same obligation as officers and employees to bring corporate opportunities to Sunward . For these reasons, the Code does not apply to outside directors with respect to corporate opportunities that do not involve property of, information of or positions with Sunward , and such issues, to the extent they arise, are to be resolved directly with the Board of Directors.

12.0 GIFTS AND ENTERTAINMENT

Directors, officers, employees, consultants and contractors, and their families will not give or accept gifts, gratuities or entertainment in relation to Sunward or its business that have greater than a nominal monetary value. Further, any such gifts must be customary to the industry, not violate any laws, and must not influence nor appear to influence the recipient's judgment or conduct. The Chief Executive Officer will establish policies and procedures for a gift register to record gifts given and received by Sunward and its directors, officers and employees in connection with their positions with Sunward . Those policies and procedures may set standards for gifts to be given, received and recorded in the gift register.

See the Foreign Corrupt Practices Policy with respect to gifts to government officials, politicians and political parties.

13.0 HUMAN RIGHTS

All directors, officers and employees will adhere to Sunward 's commitment to promoting respect for internationally recognized human rights as set forth in the United Nations Universal Declaration of Human Rights.

14.0 EQUAL OPPORTUNITY

Sunward is committed to providing a work environment that enables all employees to be recruited, and to pursue their careers, free from any form of unwarranted discrimination.

In particular, Sunward will not discriminate on the basis of age, color, creed, disability, ethnic origin, gender, marital status, national origin, political belief, race, religion or sexual orientation, unless required for occupational reasons or legislation.

15.0 HARASSMENT

All employees have a right to work in an environment free from all forms of harassment. Harassment is defined as any unwanted conduct or comment that is intimidating, hostile or offensive in the work environment.

16.0 ALCOHOL AND DRUGS

Any misuse of alcohol or legal drugs (prescribed or unprescribed), or the use of any illegal drugs, may jeopardize job safety and/or performance, and is prohibited in the Sunward workplace. No officer, employee, consultant or contractor will enter the workplace under the influence of alcohol or such drugs that may impair safety and/or performance.

17.0 REPORTING VIOLATIONS OF THE CODE - WHISTLEBLOWER POLICY

All directors, officers, employees, consultants and contractors will adhere to Sunward 's commitment to conduct its business and affairs in a lawful and ethical manner. All directors, officers, employees, consultants and contractors are encouraged to talk to appropriate personnel within Sunward when in doubt about the best course of action in a particular situation. In addition, any officer, employee, consultant and contractor who becomes aware of any information suggesting that a violation of the Code has occurred or is about to occur is required to report it to his or her immediate supervisor. However, if you are not comfortable discussing the matter with your immediate supervisor or you do not believe that the supervisor has dealt with the matter properly, then you should raise the matter with a senior officer of Sunward .

Sunward also has adopted a Whistleblower Policy which provides procedures for reporting violations of laws, rules, regulations or Sunward 's corporate policies,

including a procedure for anonymous reporting. A copy of the Whistleblower Policy can be found on Sunward 's website at www.sunwardresources.com.

Sunward prohibits retaliatory action against any person who raises a concern in good faith.

18.0 CONSEQUENCES OF VIOLATION OF THE CODE

Failure to comply with the Code may result in severe consequences, which could include internal disciplinary action or termination of employment or consulting arrangements without notice. The violation of the Code may also violate Canadian and/or other laws. If it appears that a director, officer or employee may have violated such laws, then Sunward may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

19.0 REVIEW OF CODE

The Board of Directors of Sunward will review and evaluate this Code on an annual basis to determine whether this Code is effective in ensuring Sunward 's business and affairs are conducted with honesty, integrity and in accordance with the highest ethical and legal standards.

20.0 QUERIES

If you have any questions about how this Code should be followed in a particular case, please contact the Chief Executive Officer or the Vice President & General Counsel of Sunward .

21.0 WAIVERS OF THE CODE

Any waiver of this Code with respect to a director or officer of Sunward may be made only by the Board of Directors. Any such waiver will be promptly disclosed to the extent required by applicable laws or stock exchange rules and regulations.

22.0 PUBLICATION OF THE CODE

This Code will be posted on Sunward 's website at www.sunwardresources.com

Original Approval Date:

May 31, 2011

Approved by:

Corporate Governance Committee
Board of Directors

ANNUAL CERTIFICATION FORM

This will certify that I have received, recently read and understand the following policies provided by Sunward Resources Ltd. (“Sunward ”):

- Code of Business Conduct and Ethics (the Code”), ♦ 2011;
- Foreign Corrupt Practices Policy, ♦ 2011;
- Corporate Disclosure Policy, ♦; and
- Whistleblower Policy, ♦ 2011.
- Insider Trading Policy, adopted as of ♦, 2011

(together the “Policies”)

I hereby declare that I am responsible for understanding, complying with and implementing the Policies as they apply to my position and area of responsibility. I understand that I must also comply with the policies and rules governing my individual workplace or job function.

I hereby accept and assume such liability as a continuing condition of my employment (in the case of employees and consultants) and acknowledge that any breach of the Policies shall result in the termination of my employment or consulting arrangement with Sunward .

I confirm that for the period from January 1, 2011 to December 31, 2011 I have been and am currently in compliance with the Policies, except as noted below or as has been already properly reported to Sunward representatives.

(Use the back of this sheet to describe any existing circumstances that may conflict with the Policies. Please include as much detail as possible.)

NAME (PRINT) SIGNATURE

DATE