

SUNWARD RESOURCES LTD.

Whistleblower Policy

1.0 INTRODUCTION

Sunward Resources Ltd.¹ is committed to maintaining the highest standards of business conduct and ethics, as well as full compliance with all applicable government laws, rules and regulations relating to corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other processes for the prevention of fraud (collectively “Governance Concerns”).

Pursuant to its charter, the Audit Committee (the “Committee”) of the Board of Directors of Sunward is responsible for ensuring that a confidential and anonymous process exists whereby persons can report any Governance Concerns relating to Sunward and its subsidiaries. In order to carry out its responsibilities under its charter, the Committee has adopted this Whistleblower Policy (the “Policy”).

For the purposes of this Policy, “Governance Concerns” is intended to be broad and comprehensive and to include any matter, which in the view of the complainant, is illegal, unethical, contrary to the policies of Sunward or in some other manner not right or proper. Examples would include:

- a) violation of any applicable law, rule or regulation that relates to corporate reporting and disclosure;
- b) violation of Sunward’s Code of Business Conduct and Ethics or of Sunward’s Foreign Corrupt Practices Policy;
- c) fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of Sunward ;
- d) fraud or deliberate error in the recording and maintaining of financial records of Sunward ;
- e) deficiencies in or noncompliance with Sunward’s internal policies and controls;
- f) misrepresentation or a false statement by or to a director, officer or employee of Sunward respecting a matter contained in the financial records, reports or audit reports; and
- g) deviation from full and fair reporting of Sunward’s financial condition.

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

2.0 COMMUNICATION OF THE POLICY

To ensure that all directors, officers, employees, consultants and contractors of Sunward (“Subject Persons”) are aware of the Policy, a copy of the Policy will be distributed to all Subject Persons or, alternatively, they will be advised that the Policy is available on Sunward’s website for their review. All Subject Persons will be informed whenever significant changes are made. New Subject Persons will be provided with a copy of this Policy and will be educated about its importance.

3.0 REPORTING ALLEGED VIOLATIONS OR COMPLAINTS

3.1 Reporting Concerns

Any person with a Governance Concern may submit his or her concern to the Chairman of the Audit Committee (the “Chairman”) of Sunward in writing, by telephone or by e-mail as follows:

In Writing: The Chairman of the Audit Committee
Sunward Resources Ltd.
Suite 400, 1199 West Pender Street
Vancouver, British Columbia V6E 2R1

By Telephone: (604) 631-4236

By E-mail: tpalmer@sunwardresources.com

3.2 Anonymity and Confidentiality

All submissions will be treated on a confidential and anonymous basis., All submissions will be dealt with in accordance with the provisions of Section 5.0 below.

4.0 NO ADVERSE CONSEQUENCES

A submission regarding a Governance Concern may be made by any Subject Person without fear of dismissal, disciplinary action or retaliation of any kind. Sunward will not discharge, discipline, demote, suspend, threaten or in any manner discriminate against any person who submits in good faith a Governance Concern or provides assistance to the Audit Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating a Governance Concern.

5.0 TREATMENT OF GOVERNANCE CONCERN SUBMISSIONS

Governance Concerns will be reviewed as soon as possible by the Audit Committee with the assistance and direction of whomever the Audit Committee thinks appropriate including, but not limited to, external legal counsel, and the Audit Committee will implement such corrective measures and do such things in an expeditious manner as it deems necessary or desirable to address the Governance Concern.

6.0 RETENTION OF RECORDS

The Audit Committee will retain all records relating to any Governance concern or report of a retaliatory act and to the investigation of any such report for a period judged to be appropriate based upon the merits of the submission. The types of records to be retained by the Audit Committee will include records of all steps taken in connection with the investigation and the results of any such investigation.

7.0 REVIEW OF POLICY

The Committee will review and evaluate this Policy on an annual basis to determine whether the Policy is effective in providing a confidential and anonymous procedure to report violations or complaints regarding Governance Concerns.

8.0 QUERIES

If you have any questions about how this Policy should be followed in a particular case, please contact Chief Executive Officer, the Chief Financial Officer or the Chief Legal Officer.

9.0 PUBLICATION OF THE POLICY ON WEBSITE

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

Original Approval Date:	June 14, 2011
Approved by:	Audit Committee Board of Directors