

Margosa Graphite Limited ("COMPANY")**CORPORATE CODE OF CONDUCT****1. Introduction**

This Code of Conduct sets out the standard which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, shareholders and the broader community.

2. Commitment of the Board and Management to Corporate Code of Conduct

The Board and management approve and endorse this Code of Conduct and support it and all it strives to achieve.

The Board and management encourage all staff to consider the principles of this Code of Conduct and use them as a guide to determining how to respond when acting on behalf of the Company.

3. Responsibilities to Shareholders and the Financial Community Generally

The Company aims:

- a. to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and the financial community; and
- b. comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

4. Responsibilities to Clients, Customers and Consumers

The Company is to comply with all legislative and common law requirements which affect its business, in particular those in respect of occupational health and safety, the environment, native title and cultural heritage. Any transgression from the applicable legal rules is to be reported to the chief executive officer as soon as a person becomes aware of such a transgression.

5. Employment Practices

The Company will employ the best available staff with skills required to carry out vacant positions.

The Company will ensure a safe work place and maintain proper occupational health and safety practices commensurate with the nature of the Company's business and activities.

6. Responsibility to the Community

The Company will recognise, consider and respect environmental, public health and safety, cultural and social issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

7. Responsibility to the Individual

The Company recognises and respects the rights of individuals and to the best of its ability will comply with the applicable legal rules regarding privacy, privileges, private and confidential information.

8. Obligations Relative to Fair Trading and Dealing

The Company will deal with others in a way that is fair and will not engage in deceptive practices.

9. Conflicts of Interest

The Board, management and employees must endeavour not to involve themselves in situations where there is a real or apparent conflict of interest between them as individuals or stakeholders of members of any affected community and the interest of the Company. Where a real or apparent conflict of interest arises, the matter should be brought to the attention of the chairperson (or another Director in the case of the chairperson) in the case of a Board member or the chief executive officer in the case of a member of management and a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner for all concerned.

10. Compliance with the Code of Conduct

Any breach of compliance with this Code of Conduct is to be reported directly to the chief executive officer or chairperson, as appropriate.

11. Periodic Review of Code

The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff especially in relation to any areas of difficulty which arise from this Code of Conduct and any other ideas or suggestions for improvement of it. Suggestions for improvements or amendments to this Code of Conduct can be made at any time by providing a written note to the chief executive officer.

12. Incorporation of Code of Conduct for Company Executives

The Code of Conduct for Company Executives forms part of this Corporate Code of Conduct. It provides as follows:

All Executives will:

1. Actively promote the highest standards of ethics and integrity in carrying out their duties for the Company.
2. Disclose any actual or perceived conflicts of interest of a direct or indirect nature of which they become aware and which they believe could compromise in any way the reputation or performance of the Company.
3. Respect confidentiality of all information of a confidential nature which is acquired in the course of the Company's business and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated.
4. Deal with the Company's customers, suppliers, competitors and other persons affected by the Company's activities and each other with the highest level of honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates.
5. Protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company.
6. Report any breach of this code of conduct to the chairperson, who will treat reports made in good faith of such violations with respect and in confidence.