



Code of Business Conduct and Ethics

I. PURPOSE OF THIS CODE

This Code of Business Conduct and Ethics ("Code") is intended to document the principles of conduct and ethics to be followed by New Carolin Gold Corp. (the "Company") employees, officers (including, without limitation, the President and Secretary) and all directors. Its purpose is to:

- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- Promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the securities regulators as well as other public communications made by the Company;
- Promote compliance with applicable governmental laws, rules and regulations;
- Promote the prompt internal reporting to an appropriate person of violations of this Code;
- Promote accountability for adherence to this Code;
- Provide guidance to employees, officers and directors to help them recognize and deal with ethical issues;
- Provide mechanisms to report unethical conduct; and
- Help foster a culture of honesty and accountability.

The Company will expect all its employees, officers and directors to comply and act in accordance, at all times, with the principles stated above and the more detailed provisions provided hereinafter. Violations of this Code by an employee or officer or director are grounds for disciplinary action up to and including, but without limitation, immediate termination of employment or directorship.

II. THIRD PARTY RELATIONSHIPS

a. Conflict of Interest

Employees, officers and directors are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Company. Employees, officers and directors must disclose promptly, in writing, possible conflicts of interest and should disclose, in writing, any perceived conflicts to the Chairman of the Audit Committee. Conflicts of interest arise where an individual's position or responsibilities with the Company present an opportunity for personal gain apart from the normal rewards of employment, officership or directorship, to the detriment of the Company. They also arise where a director's, officer's or employee's personal interests are inconsistent with those of the Company and create conflicting loyalties. Such conflicting loyalties can cause a director, officer or employee to give preference to personal interests in situations where corporate responsibilities should come first. Directors, officers and employees shall perform the responsibilities of their positions on the basis of what is in the best interests of the Company and free from the influence of personal considerations and relationships. Directors, officers and employees shall not acquire any property, security or business interest related to a proposed acquisition by the Company. Moreover, directors, officers, employees and/or related parties shall not acquire any property, security or business interest for speculation or investment, based on such insider information.

b. Gifts and Entertainment

Employees, officers and directors or their immediate families shall not use their position with the Company to solicit any cash, gifts or free services from any Company customer, supplier or contractor for their or their immediate families or friends' personal benefit. Gifts or entertainment from others should not be accepted if they could be reasonably considered to be extravagant for the employee, officer or director, who receives it, or otherwise improperly influence the Company's business relationship with or create an obligation to a customer, supplier or contractor. The following are guidelines regarding gifts and entertainment:

- Nominal gifts and entertainment, such as logo items, pens, calendars, caps, shirts and mugs are acceptable.
- Reasonable invitations to business-related meetings, conventions, conferences or product training seminars may be accepted.
- Invitations to social, cultural or sporting events may be accepted if the cost is reasonable and attendance serves a customary business purpose such as networking (e.g. meals, holiday parties and tickets).
- Invitations to golfing, fishing, sports events or similar trips that are usual and customary in relation to the recipient's position within the Company and the industry in order to promote good working relationships with customers and suppliers may be acceptable, provided, that in the case of employees, they are approved in advance by management.

c. Competitive Practices

The Company firmly believes that fair competition is fundamental to the continuation of the free enterprise system. The Company complies with and supports laws of all which prohibit restraints of trade, unfair practices, or abuse of economic power.

The Company will not enter into arrangements that unlawfully restrict its ability to compete with other businesses, or the ability of any other business organization to compete freely with the Company. The Company's policies also prohibit employees, officers and directors from entering into and/or discussing any unlawful arrangement or understanding that may result in unfair business practices or anti competitive behavior.

d. Supplier and Contractor Relationships

The Company selects its suppliers and contractors in a non-discriminatory manner based on quality, price, service, delivery and supply of goods and services. A decision to transact business must never be based on personal interests or the interests of family members and friends.

Employees, officers and directors should inform the Chairman of the Audit Committee of any relationships that appear to create a conflict of interest.

e. Government Relations

Employees, officers and directors may participate in the political process as private citizens. It is important to separate personal political activity and the Company's political activities, if any, in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. The Company will not reimburse employees, officers and directors for money or personal time contributed to political campaigns. In addition, employees may not work on behalf of a candidates campaign while at work or at any time use the Company's facilities for that purpose unless approved by the President.

No employee or officer may offer improper payments when acting on behalf of the Company.

Company funds must not be used to make payment or provide anything of value, directly or indirectly (through agents or otherwise), in money, property, services or any other form to a government official, political party or candidate for political office to induce the recipient to:

1. exert influence to assist the Company in obtaining or retaining business or secure any advantage; or
2. commit any act in violation of a lawful duty or otherwise influence an official act.

If a related party to the Company is in doubt about the legitimacy of a payment to be made, the circumstances should be referred to the Chairman of the Audit Committee.

In addition, the Company, its employees, officers and directors are strictly prohibited from attempting to influence any persons testimony in any

manner whatsoever in courts of justice and/or any administrative tribunals or other government bodies.

III. LEGAL COMPLIANCE

Compliance with Laws, Rules and Regulations (including Insider Trading Laws and Timely Disclosure)

Employees, officers, and directors are expected to comply in good faith at all times with all applicable laws, rules and regulations.

Employees, officers, and directors are required to comply with the Company Insider Trading Procedures (if such a policy exists) and all other policies and procedures applicable to them as adopted by the Company from time to time.

Employees, officers, and directors must cooperate fully with those responsible for preparing reports filed with the securities regulatory authorities and all other materials that are made available to the investing public to ensure timely disclosure of all facts related to the Company.

Employees, officers and directors should also cooperate fully with the independent auditors in the performance of their duties.

Senior officers of the Company must comply with Company Procedures on Timely Disclosure of Material Information and provide full, fair, accurate, understandable reports and documents to be filed with, or submitted to, securities regulatory authorities or the investing public.

IV. INFORMATION AND RECORDS

Confidential and Proprietary Information and Trade Secrets

Employees, officers and directors may be exposed to certain information that is considered confidential by the Company, or may be involved in the design or development of new procedures related to the business of the Company. All such information and procedures, whether or not the subject of copyright or patent, are the sole property of the Company. Employees shall not disclose any confidential information to persons outside the Company, including family members, except on a "need to know" basis.

Employees, officers and directors are held responsible and accountable for safeguarding Company documents and information to which they have direct or indirect access as a result of their employment, officership or directorship with the Company.

Financial Reporting and Records

The Company maintains a high standard of accuracy and completeness in its financial records. These records serve as a basis for managing our business and are crucial for meeting obligations to employees, customers, investors and others, as well as for compliance with regulatory, tax, financial reporting and other legal requirements. Employees, officers, and directors who make entries into business records or who issue regulatory

or financial reports, have a responsibility to fairly present all information in a truthful, accurate and timely manner. No employee, officer or director shall exert any influence over, coerce, mislead or in any way manipulate or attempt to manipulate the independent auditors of the Company.

• **Record Retention**

The Company maintains all records in accordance with laws and regulations regarding retention of business records. The term "business records" covers a broad range of files, reports, business plans, receipts, policies and communications, including hard copy, electronic, audio recording, microfiche and microfilm files whether maintained at work or at home. The Company prohibits the unauthorized destruction of or tampering with any records, whether written or in electronic form, where the Company is required by law or government regulation to maintain such records or where it is aware of a threatened or pending government investigation or litigation relating to such records.

V. THE COMPANY'S ASSETS

Use of Company Property

The use of Company property for individual profit or any unlawful unauthorized personal or unethical purpose is prohibited. The Company's information, technology, intellectual property, software and cash can only be used for business purposes acceptable to the Company or approved by the Chairman of the Audit Committee.

Destruction of Property and Theft

Employees, officers and directors shall not intentionally damage or destroy the property of the Company and others or commit theft.

Intellectual Property of Others

Employees, officers and directors may not reproduce, distribute or alter copyrighted materials without permission of the copyright owner or its authorized agents. Software used in connection with the Company's business must be properly licensed and used only in accordance with such license.

USING THIS CODE AND REPORTING VIOLATIONS

It is the responsibility of all employees, officers and directors to understand and comply with this Code of Business Conduct and Ethics. If you observe or become aware of an actual or potential violation of this Code of Business Conduct and Ethics or of any law or regulation, including with respect to questionable accounting, internal accounting controls or auditing matters, whether committed by the Company employees or by others associated with the Company, it is your responsibility to report the circumstances as outlined herein and to cooperate with any investigation by the Company. This Code of Ethics is designed to provide an atmosphere

of open communication for compliance issues and to ensure that employees acting in good faith have the means to report actual or potential violations.

For assistance with compliance matters and to report actual or potential compliance infractions, employees, officers and directors should contact the Chairman of the Audit Committee. You may also submit reports of violations to this Code in writing on a confidential and/or anonymous basis to the Chairman of the Audit Committee in an envelope labeled with a legend such as "To be opened by the Audit Committee only, being submitted pursuant to the Code of Business Conduct and Ethics". You may submit such confidential envelopes directly to the Chairman of the Audit Committee. For anonymous reports, you will remain anonymous and will not be required to reveal your identity, although providing your identity may assist in investigating your concern.

Following the receipt of any complaints submitted hereunder, the Audit Committee will investigate each matter so reported and take corrective disciplinary actions, and if deemed appropriate, up to and including termination of employment.

There will be no reprisals against employees, officers and directors for the reporting in good faith of compliance concerns or violations. The Audit Committee will confidentially retain any complaints received hereunder for a period of seven years.