

HILLGROVE RESOURCES LIMITED

DIRECTOR'S CODE OF CONDUCT

1. This is the Director's Code of conduct ("Code") for Hillgrove Resources Limited (the "Company"). The Code sets out the standards to which each director will adhere whilst conducting their duties.
2. A director has a duty to perform the functions of office and exercise the powers attached to that office with a degree of care and diligence that a reasonable person would exercise if they were a director in the same circumstances.
3. A director must act honestly, in good faith and in the interests of the Company as a whole.
4. A director must use the powers of office for proper corporate purpose.
5. A director must recognise that, in acting as a director of the Company his or her dominant purpose or object must be to serve the interests of the members of the Company as a whole, not the interests of any particular group of directors or stakeholders or the director's personal or commercial interests. In circumstances of insolvency or near insolvency, the duty to act in the best interests of members is overridden by a duty to act in the best interests of creditors.
6. A director must not use information acquired as a director improperly to gain advantage for the director or for someone else or to cause detriment to the Company.
7. A director must not misuse the position of director improperly to gain advantage for the director or for someone else or to cause detriment to the Company.
8. A director must not give preference to personal interests, or to the interests of any associate or other person, where to do so would be in conflict with the interests of the Company.
9. A director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the board of directors. To this end, a director must bring an enquiring, open and independent mind to board meetings, listen to the debate on each issue raised, consider the arguments for and against each motion and reach a decision that he or she believes to be in the best interests of the Company as a whole.
10. Confidential information received by a director in the course of the exercise of directorial duties remains the property of the company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that company, or the person from whom the information is received, or is required by law.
11. A director should not engage in conduct likely to bring discredit upon the Company.
12. A director has an obligation, at all times, to comply with the letter and the spirit of the law and with the principles contained in this Code.
13. A director must disclose to all other directors any material, personal interest that he or she or any associate may have in a matter that relates to the affairs of the Company.
14. When making a business decision, a director must make the decision in good faith, for a proper purpose and without material personal interest, inform him or her self about the subject matter of the decision, and rationally believe the decision to be in the best interests of the Company.

15. A director must not place him or her self in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associates person, or his or her duties to any other company, on the one hand, and the interests of the Company or his or her duties to the Company, on the other hand. The action which a director will be required to take if he or she is faced with an actual or potential conflict of interest or duties in relation to a particular matter being considered by the board of directors will depend on the nature and circumstances of the conflict and may include any of the following:
- fully and frankly informing the board about the circumstances giving rise to the conflict;
 - abstaining from voting on any motion relating to the matter and absenting him or her self from all board deliberations relating to the matter; or
 - resigning from the board of directors.

If a director believes that he or she may have a conflict of interest or duty in relation to a particular matter, the director should consult with the Chairman.

16. A director has a duty to account to the Company for business opportunities which arise as a result of his or her being a director of the Company and to use Company resources only for the benefit of the Company.
17. A director may rely on information or advice from Company board committees, officers and competent experts and advisers provided he or she does so in good faith and makes an independent assessment of the information or advice.
18. When delegating powers, a director must enquire as to the delegate's reliability and competency and must reasonably and in good faith, believe that the delegate will act in conformity with the director's duties and the Company's constitution.
19. A non-executive director must devote such time as is necessary to carry out the duties of the non-executive director as determined by the board of directors.

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Adopted by the Board on 31 January 2005