

## **GEOMARK EXPLORATION LTD. CODE OF BUSINESS CONDUCT**

The Code of Business Conduct is our guide to ethical and lawful conduct in our daily business. It requires all of us, from members of our Board of Directors to new hires, to adhere to a level of ethical business conduct. Our compliance with both the letter and spirit of the Code of Business Conduct is essential to protecting the Company's business and reputation.

### **INTRODUCTION**

#### **Geomark's Commitment**

Geomark Exploration Ltd. and all of its affiliates ("Geomark" or the "Company") are committed to maintaining the highest of business standards in our operations, wherever they may be. Our Company recognizes the importance of credibility, integrity, and trust to our success as a business.

#### **Purpose of the Code**

This Code of Business summarizes a number of Geomark's policies for appropriate employee behavior. The Code will help us meet our business practice standards and comply with applicable laws and regulations. It is essential that this Code of Business Conduct be observed. The Code is very important to protecting Geomark's business and reputation.

The Code of Business Conduct is a general guideline for making certain that:

- A work environment is maintained that promotes the dignity and self-respect of each employee.
- All employees are aware of and dully observe the laws and regulations that impact their business activities.
- A standard of behavior is in place that reflects the values and integrity of Geomark and its Board of Directors, officers, and employees.
- Policies be adopted to provide as much protection as possible from financial loss and legal liability.

This Code of Business Conduct does not replace any other published rules and policies of Geomark, including other work rules and personal conduct policies. While this Code of Business Conduct provides guidance and explains what is considered acceptable and unacceptable behavior, the Code of Business Conduct does not describe every specific act that is acceptable or unacceptable. Because a specific act is missing from the Code, it does not mean that act is acceptable or condoned. Ultimately, we must rely on our judgment about the right thing to do in order to maintain our personal and corporate integrity.

#### **Applicability of the Code**

This Code of Business Conduct applies to all employees, consultants, officers, and directors of Geomark and as such, each of us must comply with the policies of this Code. The Code is to be used as a guide for appropriate conduct and to prevent improper conduct. Geomark will not tolerate any conduct that is unlawful or damaging to its reputation.

#### **Employee Responsibilities**

All employees, consultants, officers and directors are responsible for reading this entire Code of Business Conduct and ensuring their conduct is consistent with both the letter and the spirit of Geomark's business practices. This Code will help employees deal with specific situations. In some cases, a situation may be so complex or circumstances so unique that additional guidance is needed. If such a situation occurs and is not included in this Code, it is each employee's duty to contact either his or her supervisor, senior management, a director, or our Outside Counsel immediately.

This Code and any detailed Geomark policy statements and procedures will be updated from time to time. All employees are required to stay informed about any updates and to comply with all requirements.

### **Management Responsibilities**

Managers must exhibit the highest standards of corporate responsibility and business conduct and create a work atmosphere that supports our values and policies, including this Code. It is the duty of each member of management to take into account an employee's willingness and commitment to comply with this Code when making promotion and other employment decisions.

### **Compliance Requirements**

Employees must work honestly and in good faith. Employment with Geomark depends on an employee's ability and willingness to comply with this Code. Adherence to these standards carries the highest priority. All employees are required to acknowledge compliance when they are hired and again on an annual basis when requested by management to do so.

## **GLOBAL BUSINESS CONDUCT GUIDELINES**

### **Our Employees**

#### **Discrimination and Workplace Harassment**

Employees are forbidden to discriminate against or harass other employees. No employee is permitted to act in a way that is considered or could be considered illegal or harassing. It is the responsibility of each member of management to as much as possible be aware of any behavior or conduct that could be considered workplace harassment or discrimination. Management is also required to enforce these policies and immediately contact the CEO or a director regarding any situation that could be considered workplace harassment or discrimination.

It is the responsibility of each employee to maintain a work environment free of discrimination and harassment and to report any situation that the employee believes may be workplace harassment or discrimination to his/her supervisor, his/her department head, the CEO or a director.

#### **Employment of Family Members**

Geomark allows an employee's or consultant's (if more than 50 percent of the consultant's time is charged to Geomark) spouse, parents, children, and other family members to work for it, both during and after the employee's career with Geomark, provided the employment is in Geomark's best interest. Such hiring must be approved by the CEO or a director if it is a family member of the CEO. All Geomark hiring decisions will be made strictly on the basis of individual qualifications. To avoid the possibility or appearance of preferential treatment, Geomark will not have one family member placed in a position of influence over another family member. Formal procedures must be in place for this type of reporting structure.

#### **Health and Safety**

The health and safety of our personnel and the safe operation of our facilities are principal objectives of Geomark. We are committed to providing safe and healthy places of employment and will follow operating practices that eliminate or minimize exposure to hazardous and unhealthy conditions. The success of our health and safety efforts depends on the cooperation, support, and active involvement of all Geomark personnel. Each employee is responsible for working safely and complying with all safety

rules and protocols at all times. Questions or concerns should immediately be reported to a supervisor or senior management.

### **Workplace Safety**

Geomark is committed to maintaining a safe and secure work environment. Threats, intimidation, harassment, assaults, and acts of violence are unacceptable. If an employee has any concerns, he/she should contact their supervisor or the CEO.

### **Prohibited Items**

The use, sale, possession, distribution, manufacture, and/or presence in the body of illegal drugs or inhalants, or the improper use of alcohol or prescription drugs by employees or contractors is strictly forbidden while on Geomark premises, in Geomark vehicles, or while conducting Geomark business on or off Geomark premises.

The use of alcohol in any environment is prohibited to the extent that it has a detrimental effect on job performance, safety, or efficiency while conducting Geomark business on or off Geomark premises, or while in Geomark owned or leased vehicles. The approval of a Geomark officer is required to consume or possess alcoholic beverages on Geomark premises or social functions that are organized by Geomark staff.

The possession, use, or distribution of firearms, weapons, and explosives is prohibited while on Geomark premises, while conducting Geomark business, or while in Geomark vehicles on or off Geomark premises, without prior written authorization by a Geomark officer. If evidence supports a reasonable suspicion of use, possession, or distribution of prohibited items, Geomark reserves the right to conduct searches on Geomark premises or in Geomark owned or leased vehicles for such items.

### **Our Company**

#### **Document Retention**

Employees must comply with Geomark department specific document retention guidelines to ensure that any applicable laws and regulations are met. Each employee should become familiar with and adhere to these guidelines. Additionally, when litigation or an investigation is pending, employees are prohibited from modifying or destroying relevant documents or records including employees' personal files and electronic records. The consequences of modifying or destroying any relevant documents or records are severe and may include prosecution. An employee who has any doubt about the legality or propriety of modifying or destroying any document or record should contact his/her supervisor, the CEO, Outside Counsel, or a director before proceeding.

#### **External Communications**

From time to time, employees may be contacted by government representatives or legal counsel representing other companies, government agencies, or individuals in connection with investigations that concern Geomark, its businesses, clients, employees, or suppliers. While Geomark cooperates with all reasonable requests from government agencies and authorities, all requests for information other than what is provided on a routine basis should be reported to the CEO or to our Outside Counsel immediately. An employee who is contacted should decline to respond and should refer the requester to the CEO or to our Outside Counsel. Likewise, if an employee receives a subpoena or other request to testify or produce documents, a copy of the subpoena or request should be forwarded immediately to the CEO or to our Outside Counsel.

The CEO's or Outside Counsel's guidance should be received before responding to any request, and all responses must be coordinated through them. All information provided should be truthful and accurate. Employees must never mislead any investigator and must never modify or destroy documents or records in response to an investigation.

**Disclosure of Corporate Information (Insider Trading and Selective Disclosure)**

Employees must not trade Geomark securities while in possession of material, nonpublic corporate information. Employees must not use such material, nonpublic corporate information for their benefit or the benefit of others. Material corporate information is any information that, if known, might influence a reasonable investor's investment decision to buy, sell, or hold securities of Geomark. Nonpublic means any corporate information that has not been released for public dissemination and which is intended to remain confidential until such authorized dissemination. Employees should not share material, nonpublic corporate information with anyone outside Geomark (including family members) until it has been made public, regardless of how the information may or may not be used. These restrictions also apply to trading in securities of any other company (including, but not limited to, competitors, suppliers, and customers) if an employee learns of any material, nonpublic information about that company during the course of his/her employment with Geomark since this will likely make the individual a deemed insider in accordance with security regulations.

Employees and directors must adhere to blackout restrictions that may be published from time to time. Trading blackouts are implemented to ensure that "insiders" do not have the advantage of information that has not been announced to the general investing public. "Insiders" are considered to be anyone who has access to information that has not been released to the public realm. Applicable securities laws dictate the protection of the entire investing public to ensure trading equity. Should an individual breach insider trading rules they may be subject to significant penalties by regulatory authorities, as well as disciplinary action by Geomark.

Announcements of material information will include scheduled and unscheduled announcements. Scheduled announcements will include the release of quarterly financial statements, annual financial statements and annual reports of the Company, and in that regard, trading in the securities by Geomark personnel will be prohibited in accordance with this Code and applicable security regulations. Unscheduled announcements may include the release of information relative to changes in the Company of a financial or structural nature, which may or may not require trading blackouts.

Management will make every attempt to inform employees of changes to blackout periods. However, blackout periods may change without notice. Should you have any questions or require clarification regarding trading restrictions, it is the individual's responsibility to direct these questions to senior management or Outside Counsel prior to trading any Geomark securities.

Employees must report violations or misuse of material, nonpublic corporate information to the CEO or our Outside Counsel immediately. Employees are prohibited from making selective disclosure of material, nonpublic corporate information to third parties. All inquiries regarding information about Geomark's activities must be referred to senior management.

Directors and officers of Geomark are required by securities regulations to make certain filings with securities commissions to report their holdings and transactions in Geomark securities. Questions about these laws should be directed to the Outside Counsel, the CEO, or the CEO's administrative assistant.

For further information, please refer to the Disclosure Policy.

### **Conflicts of Interest**

Employees are not permitted to do anything that does not support the best interests of Geomark. For example, an employee should not, on his/her own behalf:

- Use Geomark property for his/her own material benefit.
- Influence Geomark's contractors or consultants for his/her own personal gain.
- Act on business opportunities or investments presented to Geomark, other than for the benefit of the Company, that are not already available to the public without written permission from Outside Counsel or the CEO.
- Make or recommend decisions for Geomark that might benefit an employee, his/her family members, or friends financially without first telling senior management that such benefits may result.
- Own an equity interest in any entity that sells supplies, furnishes services, or otherwise does business with Geomark without written permission from the CEO.

Before acknowledging compliance to this Code, an employee must report in writing any conflicts of interest to his/her supervisor. If conflicts of interest arise after the employee has acknowledged compliance, the employee must report the conflicts in writing to his/her supervisor, who will in turn disclose such conflicts to the CEO.

During business hours, employees should devote their full time and attention to Geomark and their assigned job duties. Unrelated outside activities, business, or secondary employment are not permitted during business hours. No officer or employee of Geomark should serve on the board of any corporation that it does not own or control or may be in competition with Geomark without the written approval of Geomark's CEO. It is acceptable to serve on the board of a non-profit, charitable, religious, or civic organization without prior written approval, provided it does not interfere or impair their ability to perform their duties at Geomark. To avoid potential conflicts of interest, it is against Geomark's policy for it to extend loans to officers or directors.

### **Confidential and Proprietary Information**

Occasionally, employees may know confidential information concerning Geomark's customers, suppliers, business contacts, employees, or technical operations. Employees must keep this information confidential during and after their employment with Geomark. Personal information relating to Geomark customers, suppliers, business contacts or employees must be treated in confidence.

Generally, any information stored by and/or processed by Geomark is proprietary information. This confidential information includes computerized data, methods, techniques, and documentation relating to computing services, developed software, and third-party software.

Employees must be aware of their responsibilities regarding access to Geomark's computer services, and the access, use, and disclosure of confidential information. Confidential and proprietary information must be used for Geomark's purposes only, never for personal gain.

### **Accounting and Reporting**

Accurate documents are important during audits and other internal or external reviews. All employees must comply with Geomark's accounting and reporting procedures and ensure all books, records, accounts, and supporting papers are accurate and complete. Employees are forbidden to forge, falsify,

or leave out important facts to mislead auditors or other internal or external reviewers intentionally on any business documents of Geomark.

### **Expense Accounts**

Employee expense accounts should be used only to reimburse employees for items and activities that are purchased for Geomark business. Each employee must submit an accurate expense report of the money spent for this purpose.

### **Electronic Communications**

Geomark's technological resources are a Geomark asset and should be used by employees in pursuit of Geomark's business. While limited use of these resources for personal purposes is acceptable, employees should not expect their use of these resources to be private or confidential, including their use of voice mail and email. Geomark may access these technological resources at any time and may disclose the information it accesses to law enforcement or other third parties without prior consent of the sender or the recipient. Employees should take the same care in their electronic communications as they take when they communicate in person or by paper. Employees are forbidden from engaging in the following activities utilizing Geomark's technological resources:

- Sending email or other communications that masks the sender's identity.
- Using another employee's password without permission to access any technological resources.
- Sending or saving offensive material.

Any electronic communication of personal information must be in accordance with regulatory privacy policy. Electronic sources (laptop, desktop, computer disk, recordings) of personal information must be kept under security measures appropriate for the sensitivity of the information.

An employee's logon ID and password are intended for his/her use only. While Geomark can require employees to disclose passwords and security codes at Geomark's discretion, employees should be selective and extremely cautious before disclosing their passwords or logon ID combinations to anyone else.

### **Copyrighted Material and Software**

Geomark does not allow its employees to copy or distribute copyrighted material (for example: software, database files, articles, or graphics files) through Geomark's email system or by any other means without confirming in advance from appropriate sources that Geomark has the right to copy or distribute the material. Employees are not permitted to install public software on Geomark computers without the express written consent from their supervisor or senior management or discussions with other departments that may be affected.

### **Internet/Intranet Site Development**

Geomark's Internet is an important platform to communicate Geomark information to employees, customers, and the public. As such, the Company's senior management shall be solely responsible and shall administer all creation and development of any company internet site. However, any employee or stakeholder suggestions for enhancement to the site are encouraged.

### **Company Logo**

The logos of Geomark and its business units are considered property of Geomark and must only be used for business purposes. Only the approved logos, which are available through the executive assistant,

may be used, and approval must be obtained from the executive assistant prior to using any Geomark logo. Re-creation or alteration of Geomark's logos is not permitted.

## **OUR BUSINESS PARTNERS AND CUSTOMERS**

### **Relationships With Contractors and Suppliers**

Contractor and supplier relationships must be managed in a fair, equitable, and ethical manner consistent with the Code and all applicable laws and good business practices. Geomark promotes competitive procurement to the maximum extent practical and evaluates every supplier's products and services on the basis of technical excellence, quality, reliability, service, price, delivery, and other relevant objective factors. Geomark prohibits employees from making purchasing decisions on the basis of personal relationships, friendships, or the opportunity for personal financial gain other than token items such as lunches, dinners, or tickets to sporting events close to areas of employment.

Employees must respect the terms of supplier and contractor contracts and licensing agreements and safeguard all confidential information received from a contractor or supplier, including pricing, technology, or proprietary design information. This confidential information must not be disclosed to anyone outside Geomark without the written permission of the supplier or contractor. All contractors who exchange or receive personal information from Geomark must have Privacy Policies and Practices in compliance with applicable Canadian Federal and Provincial Laws.

### **Gifts and Entertainment**

Reasonable gifts and entertainment are a part of normal business courtesy and are not prohibited. In many cultures, exchanging gifts or entertainment is designed to foster trust in a business relationship. However, employees should always use good judgment and discretion to avoid the appearance of impropriety or obligation. Geomark employees should be certain that any gifts given or received, or entertainment hosted or attended as a guest, do not violate the law, customary business practices, or this Code. While employees may exchange or accept gifts with their customers and suppliers as part of a normal business courtesy, no gifts, favors, or payments should be accepted which imparts a future obligation on the employee or was given in an attempt to influence decisions regarding the business of Geomark. Additionally, the value of the gifts exchanged should be reasonable, and the exchanges should occur infrequently. Likewise, while employees may be participants in entertainment with their customers and suppliers as hosts or guests in the normal course of a business relationship, employees must not be participants when the entertainment is an attempt to influence decisions regarding the business of Geomark or imparts a future obligation of the employee. Additionally, the value of the entertainment should be reasonable and the employee's participation should occur infrequently. Finally, employees are prohibited from participating in inappropriate entertainment as either a guest or a host. An employee who has any doubt about the propriety of a gift or entertainment should contact his/her supervisor, senior management, or our Outside Counsel before exchanging the gift or participating in the proposed activity. Generally, any gift with a value over \$400 must be disclosed in writing to the manager of your department. If, given the circumstances, the gift is determined to be inappropriate, your manager may require the gift be returned to the originator. Gifts and entertainment in excess of \$400 may be accepted, if approved in advance by the CEO.

### **Obtaining and Using Competitor Information**

While information about our competitors, customers, and suppliers is a valuable asset, the law and our standards of appropriate business conduct require that our employees obtain this information legally. It is not unusual to obtain information about other organizations, including our competitors, through legal

and ethical means such as public documents, public presentations, journal and magazine articles, and other published and spoken information. However, employees are prohibited from obtaining proprietary or confidential information about our competitors, customers, or suppliers through illegal means, or from using any proprietary or confidential information acquired during a prior employment relationship. It is also not acceptable to use or seek to acquire proprietary or confidential information when doing so would require anyone to violate a contractual agreement, such as a confidentiality agreement with a prior employer. Employees are prohibited from taking any improper actions to gain information about our competitors, customers, and suppliers.

## **Our Communities**

### **Environmental Compliance**

Geomark is dedicated to complying with all relevant environmental laws and regulations and requires employees to comply with these laws and regulations as well. It is the duty of each employee to report what he/she believes to be environmental violations to his/her supervisor, the CEO, or our Outside Counsel.

### **Political Contributions**

Only Geomark's President and CEO may authorize a use of the Company's resources to support political activities. Employees must not use the Company's money, credit, property, or services for political activities. Outside of Geomark's business hours, employees may participate in any political activities of their choice, but Geomark will not support or reimburse employees financially.

### **Requests for Information from the Media and Public**

Senior management and the executive assistant are authorized to work with the media directly. When Geomark provides information to the news media, Geomark has the obligation to report accurately and completely all related material facts. In order to ensure that Geomark complies with its obligations, employees who are contacted by the media for information regarding Geomark's business activities and plans, financial information, or Geomark's position on public issues, must refer the request to senior management, or the executive assistant. Likewise all requests from the media for interviews must be directed to senior management, or the executive assistant.

### **Public Speaking and Publishing Articles**

Speeches and articles offer excellent opportunities for Geomark and its employees to present topics, ideas, and information of interest to business and professional audiences. These communications provide the public with a clearer understanding of Geomark and its various business units and are encouraged. Your manager must be informed and must approve presentations that are about Geomark business.

### **Press Releases**

Press releases allow Geomark to announce important and relevant information to the public through the media. If a department within Geomark anticipates the necessity for a press release to be created, the department must contact the CEO to discuss the appropriateness of such a release and to provide the needed information. All press releases must be reviewed by the CEO and are subject to application of the Disclosure Policy protocols.

## **Community Involvement**

Geomark directly and through its employees contributes to the general well-being and improvement of towns, cities, and regions where it has operations. Geomark provides support to worthwhile community programs in areas such as social welfare, health, education, and arts and culture to promote the development of positive relationships in the areas where we have business interests. Geomark also encourages the recruitment of qualified local personnel where practical. All Geomark community involvement and requests for contributions must go through the CEO or the executive assistant.

While Geomark encourages employees to participate in charitable organizations and other community activities of their choice, these outside activities should not materially interfere with job duties, and as such, prior approval from your manager should be requested. Approval from your manager should be requested when participation is supported by Geomark and when utilizing Geomark resources (including work time, e.g. days of caring). Where participating is on personal time and does not conflict with job duties then approval is not required. No employee may pressure another employee to express a view that is contrary to a personal belief or to contribute to or support political, religious or charitable causes.

## **Community Projects**

When a new project or business issue affects a local community, the employee should seek the guidance of senior management to help facilitate communications with the affected community. Senior management will serve as support, proactively building and maintaining relationships with local communities as project development occurs by direct contact or through associations. This will include developing a consistent platform to help educate landowners and communities about Geomark's operations and safety programs.

## **Reporting Violations and Resources for Guidance**

This Code and other Geomark policies provide general information for seeking guidance or reporting violations of the Code to supervisors, department heads, the senior management or our Outside Counsel. For more serious breaches of this Code, or if you have not received a satisfactory response, please refer to the Whistleblower Policy discussed below.

## **Whistleblower Policy**

Geomark has instituted a Whistleblower Policy to provide for the reporting and review of concerns relating to accounting and auditing matters, as well as other corporate misconduct and breaches of this Code of Business Conduct. Like the Code of Business Conduct, the Whistleblower Policy is designed to encourage ethical behavior by all Geomark personnel. Further details and procedures for submitting a report, are set out in the Whistleblower Policy which is available on our website or SEDAR.

## **Disciplinary Action**

This Code is intended to help employees conduct themselves in a manner consistent with our values. Employees may face disciplinary action if they:

- Violate this Code.
- Encourage or help other employees to violate this Code.
- Condone other employees who violate this Code.
- Fail to report a Code violation.
- Retaliate against any employee who reports a Code violation in good faith.
- Report a false breach of this Code.

- Fail as an officer, director, manager, or supervisor to take appropriate steps to ensure compliance with this Code.

Disciplinary action may include one or more of the following:

- A warning.
- A written reprimand.
- Mandatory reimbursement of losses or damages.
- Suspension.
- Demotion.
- Termination of employment.
- Referral for criminal prosecution or civil action.

Management has the discretion to determine the level and type of discipline that is appropriate in any given circumstance.

### **Monitoring**

Geomark will monitor compliance with its policies and procedures, including this Code.

### **Questions/Effect of this Code of Business Conduct**

This Code is not a comprehensive listing of every Geomark policy or applicable law. If questions arise about what this Code means or how it should be applied, employees should contact their supervisor, department head, senior management, or our Outside Counsel.

### **Sources of Information**

Directors:

Gary J. Drummond

Carl R. Jonsson

F. William Woodward

CEO: George F. Fink All at 403/262-5307

COO: Mark Balog

CFO: Garth E. Schultz

Executive Assistant: Myrna L. Johnson

Outside Counsel: Bruce A. Lawrence 403/232-9597

Receipt of Document is Acknowledged

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Dated: \_\_\_\_\_