

CORPORATE GOVERNANCE MANUAL

EASTERN RESOURCES LIMITED

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1. BOARD CHARTER

The function of the Board is to provide strategic guidance to Eastern Resources Limited. The Board is accountable and responsible to its shareholders, for the performance of the Company and to provide effective oversight of management.

The Board's responsibilities include:

- Approving and reviewing corporate strategic direction and major operating plans
- Approval of budgets, monitoring operational & financial position and performance of the Company and other reporting
- Appointing and removing the Executive Director
- Evaluating the performance of the Executive Director
- Approving the appointment or removal of Senior Executives and monitoring the performance of senior management
- Review and approve the Company's policy on risk oversight and management of material business risks
- Monitoring the effectiveness of the risk management and internal control systems through oversight and management reports
- Approving and monitoring major capital expenditure, acquisitions and divestitures above the authority level delegated to management
- Determining dividend policy
- Ensuring appropriate resources are available to Senior Executives
- Appointment and removal of external auditor including terms of appointment and remuneration

Authority Delegated to Executive Director

Where the Board has appointed an Executive Director (ED), the Executive Director is responsible for the day to day management of the Company and its operations. The Board as a whole will assume these responsibilities if no Executive Director has been appointed or the Executive Director role is vacant.

The ED responsibilities include:

- Development and implementation of strategic objectives approved by the Board
- Development and implementation of business plans and budgets approved by the Board
- Informing the Board of all material business developments relating to the Company
- Identify and assess all material business risks and establishment of policies for the oversight and management of these risks
- Development and implementation of all policies, processes and codes of conduct approved by the Board
- Implementation of appropriate internal controls and establishment of effective procedures to monitor controls
- Ensuring compliance with all regulatory requirements including financial reporting
- Ensuring the Board is provided with accurate, timely and appropriate information regarding the Company's operations
- Any matters or transactions outside the delegation authority of the ED must be referred to the Board for approval

The Chairman

The Chairman will be appointed by the Board in accordance with the Company's constitution;

Where the Company's circumstances allow, the Chairman should be an independent Non-Executive Director who is not the Executive Director of the Company.

The Chairman is responsible for leadership of the Board, ensuring that the Board functions effectively, and communicating the views of the Board to shareholders and the public. In performing this role, the Chairman's responsibilities include:

- Leading and facilitating open communication between members of the Board, including setting of the agenda for each Board Meeting and taking into account suggestions from Directors
- Ensuring that all Directors are able to contribute effectively, that all matters are properly considered and that there is clear decision-making
- Ensuring the Board is focused on maximising shareholder value
- Ensuring there is a professional and effective working relationship between the Chairman, Directors and the Executive Director
- Ensuring that Management appropriately responds to questions and enquiries of members of the Board
- Ensuring availability of the required director skills and experience on the Board
- Ensuring the Board has a performance evaluation process to review the performance of the Board as a whole and individual Directors, on an annual basis
- Maintaining ethical standards based on agreed Company values

Company Secretary

The Board will approve the appointment and removal of the Company Secretary and Directors shall have access to the Company Secretary.

The Secretary is responsible for co-ordination of all Board matters, such as agendas, board papers, minutes, communication with regulatory bodies, the ASX and all statutory and other filings.

Board Committees

The Board has established committees to enable the workload of the board to be carried out effectively and to assist in carrying out its responsibilities. The Board is ultimately responsible for the corporate governance of the Company.

The following committees have been established by the Board:

- Audit Committee
- Remuneration and Nomination Committee

Each committee has a charter approved by the Board, setting out the committee's composition and responsibilities. Minutes from each committee meeting are circulated to the Board and any recommendations are tabled at the next Board meeting. The Board may also delegate specific responsibilities to ad hoc committees from time to time.

Where the Company's circumstances allow, the composition of the committee will comprise of independent Non-Executive Directors. The Directors will seek appropriate skills and expertise for the composition of each committee.

All Directors, who are not members, are invited to attend committee meetings and Senior Executive and employees may attend by invitation.

Structure and Composition of Board

The size of the Board will be determined in accordance with the Company's Constitution and to effectively and adequately discharge its duties and responsibilities.

The Board as a whole shall have a broad range of skills and experience to guide the Company, including industry and financial experience.

Appointment and Selection of New Directors

The composition of the Board shall be reviewed regularly to ensure the Company benefits from the appropriate mix of skills and expertise to assist with the achievement of the strategic direction. Succession planning for Directors is an ongoing function of the Chairman and the Board.

In reviewing new appointments to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgment and to contribute to the development of the strategic direction of the Company.

Re-election and Rotation of Directors

At each AGM, one third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not exceeding a third), retire from office. No Director may retain office for more than three years without submitting himself or herself for re-election even though the submission results in more than a third of the Directors retiring from office. This rule does not apply to any Managing Director.

Independence

The Board shall seek to balance an appropriate level of independent and non-independent Directors. Directors must inform the Board immediately if their independent status changes.

When determining if a director is independent, the Board will consider whether the director:

- Is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company
- Is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board
- Has within the last three years been a principle of a material professional advisor or a material consultant to the Company or another group member, or an employee materially associated with the service provided
- Is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer
- Has a material contractual relationship with the Company or another group member other than as a Director (ASX Corporate Governance Principles)

The matters listed above are not exhaustive and other factors may be considered when determining independence. The Board assesses independence of Directors on appointment and on an annual basis.

Board Performance

The Board will annually review its own performance and that of its committees, with a view to achieving a high level of performance.

Conflicts of Interest

Each Director is expected to avoid any action, position, or interest that conflicts with an interest of the Company, or gives an appearance of a conflict. Directors are obliged to immediately notify the Board of any material personal interest or perceived interest in the Company.

Directors' Right to Seek Independent Professional Advice

Directors may obtain independent expert's advice to enable them to fulfil their obligations at the expense of the Company and after obtaining approval of the Chairman.

2. AUDIT COMMITTEE CHARTER

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the:

- Integrity of the Company's financial reporting
- External auditor's qualifications, performance and independence
- Oversight and performance of the internal control function
- Company's financial reporting regulatory compliance

The Audit Committee shall be comprised of two or more Directors as determined by the Board. Ideally, Committee members will be Non-Executive independent Directors and free from any business or other

relationship that, in the opinion of the Board, would materially interfere with the exercise of his or her independent judgment as a member of the Committee. However, taking into account the limited number of Board and Committee members, the Company will ensure that one member is independent.

The Audit Committee shall be chaired by a Non-Executive Director, who is not the Chairman of the Board.

All members of the Committee shall be financially literate and have familiarity with basic finance, accounting practices and an understanding of the industry in which the Company operates.

The Committee shall meet at least once annually, or more frequently as circumstances require.

The Committee may request any executive, employee or consultant of the Company, or any person with relevant experience or expertise to attend meetings of the Committee.

Other Directors of the Board are entitled to attend Committee meetings and will receive copies of the papers.

A quorum of any meeting will be two members.

The secretary of the Committee will be the Company Secretary of Eastern Resources.

The agenda and supporting documentation will be circulated to the Committee members in advance of each meeting. Minutes of the Committee meeting will be distributed to the Directors at the next Board meeting after the Audit Committee meeting.

The external auditor is entitled to be invited and to attend all meetings of the Committee. The Committee may request the external auditor to meet with any member or consultant to the Committee.

Reporting

The Committee shall regularly update the Board about Committee activities and make appropriate recommendations. The Chairman of the Committee will report to the Board, at the next Board meeting following a meeting of the Committee, on any matters under consideration by it within its Charter including risk management issues.

At the discretion of the Chairman and members of the Committee, matters considered to be of major importance will be referred to the Board for its attention.

The Committee will review any reports required by law or Listing Rules or requested by the Board including the appropriate section on corporate governance in the Annual Report or other shareholder documents.

Responsibilities and Duties

The Board and the external auditor are accountable to the shareholders. The Audit Committee is accountable to the Board. To fulfil its responsibilities and duties the Audit Committee shall:

Financial reporting and internal financial controls:

- Review and discuss with management and the external auditor the Company's half year and annual financial statements and recommend to the Board whether the financial statements should be issued
- Discuss with management and the external auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including accounting policies and practices adopted by the Company and compliance with accounting standards, ASX Listing Rules and other relevant legislation
- Review with the external auditor their report regarding significant findings in the conduct of their audit and the adequacy of management's response
- Discuss with management and the external auditor any major issues as to the adequacy and effectiveness of the Company's internal controls over financial information, reporting and disclosure any changes made to control systems in light of material control deficiencies
- Review the declarations made by the Chief Executive or Chief Financial Officer function in relation to the financial statements, financial records and systems regarding compliance with the Corporations Act and ASX Corporate Governance Principles and Recommendations (4th Edition) and management processes followed before those declarations and any other representations by senior management regarding compliance are made

- Discuss with management and the external auditor the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures including the Company's risk assessments and risk management policies. Report to the Board on the Committee's review of risk management and internal control systems .

External Audit

- Recommend to the Board the selection and termination of the external auditor, subject to shareholder ratification. Consider independence of and effectiveness of the external audit and annually approve the terms of engagement, fees and other compensation to be paid to the external auditor.
- Review compliance with the Corporations Act to ensure mandatory external audit partner rotation every 5 years
- Review with the external auditor the planned scope of their audit and subsequently their audit findings including any internal control recommendations. Discuss with the external auditor matters relating to the conduct of the audit including any difficulties encountered in the course of the audit work, any restrictions on scope of activities or access to requested information, significant disagreements with management (if any) and adequacy of management's response.
- Review the performance of the external auditor, including their independence, significant relationships with the Company and their objectivity. Review reports by the external auditor outlining all of its professional relationships with the Company including provision of services that may affect their objectivity or independence.
- Periodically consult with the external auditor out of the presence of management about internal controls over financial information, reporting and disclosure and the fullness and accuracy of the Company's financial statements.
- Monitor adherence to the policy regarding provision of non-audit services. In this regard, the external auditor should not provide services that have the potential to impair the independence and objectivity of their audit role. Report to the Board whether the Committee is satisfied the provision of non-audit services has not compromised the auditor's independence.

Other Responsibilities

To the extent the Committee deems necessary, retain independent legal, accounting or other advisors. The Committee should have the resources and authority appropriate to discharge its duties and responsibilities, including authority to select, retain, terminate and approve the fees and other retention terms of special or independent counsel, accountants or other experts and advisors as it deems necessary or appropriate, without seeking approval of the Board or Management.

Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. It is the external auditor's responsibility to plan and conduct the audit. It is management's responsibility to determine the Company's financial statements and disclosures are complete and in accordance with generally accepted accounting principles and applicable rules and regulations.

3. RENUMERATION & NOMINATION COMMITTEE CHARTER

The purpose of the Remuneration and Nomination Committee is to assist the Board in fulfilling its oversight responsibilities ensuring that the Company has:

- Appropriate remuneration policies and practices that fairly and responsibly reward Directors and Executives having regard to performance, the law and high standards of governance
- An appropriate Board and Committee structure is so that the Board can fulfil its responsibilities
- Succession planning including the recommendation of persons for appointment to the Board
- A procedure for evaluating the independence and performance of the Board and individual Directors
- A procedure to address each Director's induction, orientation and education needs

The Committee is an important vehicle to address these issues in greater detail. However, the ultimate responsibility for the Company's remuneration and nomination policy rests with the full Board.

Remuneration Role and Responsibility of the Committee

The Committee's remuneration responsibilities include:

- To review and advise on the Company's remuneration, recruitment, retention and termination policies and practices. Including incentive arrangements and superannuation obligations;
- To review and make recommendations to the Board in relation to the remuneration of the Executive Director, including:
 - fixed remuneration as well as short and long term remuneration performance targets aimed at aligning interests with that of the Company's shareholders
 - superannuation obligations
 - termination payments
 - equity based plans
 - to ensure remuneration is designed to be competitive in attracting, retaining and appropriately motivating senior management employees of high quality
 - to ensure remuneration is considered against market data for similar roles and levels of responsibility within the industry
- To review and make recommendations on the remuneration framework for Directors.
- To review and advise on the proposed remuneration of Senior Executives and review managements proposals regarding overall employee compensation.
- To review and make recommendations to the Board on the Executive Director and Senior Executive performance objectives taking into account the Company's corporate goals and objectives. The Committee will provide reasonable assurance that:
 - all applicable provisions regarding disclosure of remuneration, including superannuation, as set out in relevant laws and regulations are fulfilled
 - the executives are motivated to pursue the long term growth and success of the Company within an appropriate control framework
 - there is a clear relationship between individual performance and remuneration
 - a balance between fixed and variable remuneration, reflecting the short and long term performance objectives is appropriate to the Company's circumstances and goals
- To oversee succession planning for Senior Executives
- To review and make recommendations to the Board in relation to approving all Equity based plans, including:
 - reviewing the design of all Equity plans for approval by the Board
 - review Equity plans in light of legislative, regulatory and market developments
 - review and make recommendations for all stock option grants
- Be aware of and advise the Board on any major changes in employee benefit structures within the Company.

Board Composition Role and Responsibility of the Committee

Assess the skills required to discharge competently the Board's duties having regard to Company's performance, financial position and strategic direction, including specific qualities or skills that the Committee believes are necessary for one or more of the Directors to possess.

Oversee Board succession, including the succession of the Chairman, to maintain an appropriate balance of skills, experience and expertise on the Board.

Develop policy, review, assess from time to time and recommend to the Board as appropriate on Director tenure, Board composition, strategic function and size.

Develop and implement the process for the annual evaluation of the Board (including the Board's performance relative to its objectives), Committee and individual Director performance and effectiveness.

Review the time required to be committed to Company's business by Non-executive Directors, including reviewing the other commitments of Non-executive Directors and the time involved in those commitments. Non-executive Directors are required to inform the Committee Chairman before accepting new appointments.

Review the criteria for assessing Director's independence adopted by the Board.

Board Appointment Role and Responsibility of the Committee

Review Director appointment criteria from time to time, with eligibility criteria to have regard to a proposed candidate's experience and other qualities.

Make recommendations to the Board on re-election of Directors by rotation, removal of Directors and retirement policies for Directors.

Consider and make recommendations to the Board on candidates for appointment as Directors. Such recommendations should pay particular attention to the mix of skills, experience and other qualities of existing Directors and how the candidate's attributes will balance and complement those qualities.

Determine the terms and conditions, excluding remuneration, which is considered by the Remuneration Committee, on which Non-executive Directors are appointed and hold office.

Review and recommend to the Board a process for the orientation and education of new Directors.

Review and approve any continuing education for Directors.

Composition

The membership of the Committee and the Chairman of the Committee will be reviewed from time to time by the Board. The Committee will consist of not less than two Directors of Eastern Resources.

Ideally, Committee members will be independent directors and free from any business or other relationship that, in the opinion of the Board, would materially interfere with the exercise of his or her independent judgement as a member of the Committee. However, taking into account the limited number of Board and Committee members, the Company will ensure that one member is independent.

Should the Chairman of the Committee be absent from any meeting of the Committee, the members of the Committee present at that meeting shall appoint one of their members to be chairman of that meeting.

Meetings

The Committee will meet at least once per year, or more frequently as circumstances dictate. In addition to the members of the Committee, such Executives and/or external parties as the Chairman and members of that Committee think fit may be invited to attend meetings.

The Executive Director shall normally be invited to attend Committee meetings but will have no voting rights and must not be present during discussions on his or her own remuneration. Other Directors of the Board are entitled to attend Committee meetings and may receive copies of the papers.

A quorum of any meeting will be two members.

The Company Secretary will act as secretary of the Committee. The agenda and supporting documentation will be circulated to the Committee members within a reasonable period in advance of each meeting. The Company Secretary will circulate minutes of meetings to members of the Committee and the Board.

The Committee may adopt such rules and regulations as it deems appropriate for the conduct of its affairs, provided only that they are not inconsistent with the Eastern Resources constitution, this charter or any resolution of the Board.

Reporting

The Committee will regularly update the Board about Committee activities and make appropriate recommendations. The Chairman of the Committee will report to the Board, at the Board meeting next following a meeting of that Committee, on any matters under consideration by it within the charter.

At the discretion of the Chairman and members of the Committee, any relevant matters deemed to be of major importance should be referred to the Board for its attention.

4. CONTINUOUS DISCLOSURE POLICY

The Company's objective is to keep the market informed of material information that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

The Company's policy is designed to ensure all investors have equal and timely access to material information concerning the Company and that company announcements are factual and presented in a clear and balanced way.

The purpose of this policy is to set out the procedures for:

- Identifying material price sensitive information
- Reporting such information to the Company Secretary for review
- Ensuring that Eastern Resources and its Directors, Officers and Senior Executives comply with its continuous disclosure obligations under the Corporations Act, ASX Listing Rules and ASX Corporate Governance Principles and Recommendations (2nd Edition)

Identifying material, price sensitive information

Material, price sensitive information is information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

Information is considered material if, a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in such securities in deciding whether or not to subscribe for, or buy or sell, these securities (Corporations Act sections 674-978). For practical purposes, a material effect is considered to be 10% of the previous days trading close for the Company's share price.

If ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, the Company must give ASX the information needed to correct or prevent a false market.

The Company must not release information that is for release to the market to any person until it has given the information to the market and has received an acknowledgement that ASX has released the information to the market.

Reporting material information

The Chairman and the Company Secretary have primary responsibility for ensuring the Company complies with its continuous disclosure obligations and deciding what information will be disclosed.

All Directors, officers, employees and key contractors/consultants (EFE representatives) are responsible for communicating to the Chairman and the Company Secretary, information of which they become aware of which may be material and price sensitive.

The following information should be provided:

- A general description of the matter
- An estimated value of the transaction
- Details of the parties involved
- The date of the event or transaction
- The status of the matter (e.g. if negotiations are still being finalised)
- Any effect on the operations of the Company

The information should be communicated as soon as practicable after the person becomes aware of it. The Chairman will decide what information will be disclosed to the market.

Procedure for releasing ASX Announcements

Any material price sensitive information required to be released to the market will be released promptly and without delay. If an announcement should be released during a period of trading and the Company properly cannot do so, the Company will request a trading halt. If the Company determines that it is required to make

an announcement outside of a trading period, it will make the announcement before the next commencement of trading or request a trading halt.

The Chairman and the Company Secretary will ensure ASX announcements are factual and presented in a clear and balanced way.

The Chairman and the Company Secretary will make every effort to ensure that all ASX announcements are reviewed and approved by the Board of Directors and Company Secretary prior to releasing to the ASX. However the Company Secretary in conjunction with the Chairman, is authorised to release material price sensitive announcements where the approval of every member of the Board would result in a delay exceeding the 2-day duration of a trading halt.

Exceptions to ASX disclosure obligations

Disclosure under ASX Listing Rule 3.1 is not required where each of the following conditions is and remains satisfied:

- A reasonable person would not expect the information to be disclosed
- The information is confidential and ASX has not formed the view that the information has ceased to be confidential
- One or more of the following conditions apply:
 - it would be a breach of a law to disclose the information
 - the information concerns an incomplete proposal or negotiation
 - the information comprises matters of supposition or is insufficiently definite or warrant disclosure
 - the information is trade secret

As soon as any of these elements are no longer satisfied, the Company must immediately comply with its continuous disclosure obligations.

Analyst and media briefings

The Company must ensure that they do not communicate material price or value sensitive information to an external party except where that information has previously been released publicly through the ASX. Material information must not be selectively disclosed to analysts, the media or customers prior to being announced to the ASX.

False markets

A false market can occur where there is a reasonably specific rumour or media comment in relation to an entity that has not been confirmed or clarified by an announcement to the market by the Company. The ASX may form the opinion that the rumour or comment may have a substantial impact on the price of the entity's securities.

If ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, the Company must give ASX the information needed to correct or prevent a false market.

External communications - confidentiality

In order to safeguard the confidentiality of corporate information to avoid premature disclosure the Company will ensure that:

- All copies of analyst/media briefings must be provided to the Company Secretary prior to presenting the information externally
- Enquiries from analysts, institutional shareholders or journalists must be referred to the Chairman or Company Secretary
- Only the Chairman or other person authorised by the Board may speak on the Company's behalf on financial matters
- All responses to shareholder questions should be referred to and approved by the Chairman or Company Secretary to ensure that material, price sensitive information is not selectively disclosed

Contravention

The Company will endeavour to ensure that its systems and procedures are designed to avoid contraventions of this policy.

A contravention of this policy may involve or lead to a contravention of the Company's continuous disclosure obligations by failing to notify ASX of information required by the ASX Listing Rules. In such a case, the Company and its Officers may be guilty of an offence under the Corporations Act 2001 and incur serious civil and criminal sanctions.

5. SECURITY TRADING POLICY

This policy has been implemented to prevent the incidence of 'insider trading' in securities of Eastern Resources by EFE representatives and persons associated with any of them. It also imposes disclosure requirements on directors.

This policy outlines:

- When trading in the Company's securities by EFE representatives and persons associated with any of them is permitted
- When trading in other securities by EFE representatives and persons associated with any of them is not permitted
- Sets out procedures to reduce the risk of insider trading

The objectives of this policy are to:

- Ensure that EFE representatives and persons associated with any of them are aware of the legal restrictions on trading securities in the Company while a person is in possession of unpublished Company price-sensitive information
- Minimise the risk of EFE representatives and persons associated with any of them contravening the laws against insider trading
- Ensure the Company is able to meet its reporting obligations under the Australian Securities Exchange (ASX) Listing Rules
- Ensure the Company complies with the principles of good corporate governance and best practice recommendations set out by the ASX Corporate Governance Council
- Increase transparency with respect to trading in securities of the Company

To achieve these objectives, EFE representatives and persons associated with any of them should consider this policy to be binding on them in the absence of specific exemption by the Board.

Insider Trading is prohibited

A person undertakes insider trading if that person trades in the Company's securities while possessing information about the Company that is:

- Not generally available
- Price sensitive information

The prohibition against insider trading prevents a person in possession of price sensitive information that is not generally available from:

- Dealing in securities
- Communicating price sensitive information to others who might deal in the securities
- Procuring another person to trade in the Company's securities

Insider trading is a criminal offence; it is punishable by substantial fines or imprisonment or both under the Act.

Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties on persons who engage in insider trading and order payment of compensation to shareholders who suffer loss or damage as a result of insider trading in the Company's securities.

EFE representatives engaged in the management of the Company will, from time to time, be in a situation where they are in possession of price sensitive information that is not generally available to the public. Some examples are the period prior to the release of annual or half-yearly results to ASX and the period during which a major transaction is being negotiated.

Continuous Disclosure

The risk of contravention of insider trading laws in relation to information concerning public companies was reduced with the introduction of the continuous disclosure regime.

There are a number of ways in which the continuous disclosure regime does not reduce the risk of insider trading. These include:

- The ASX Listing Rules and the Act permit companies to not disclose certain information, for example in the situation where an acquisition is being negotiated and remains confidential
- Information may be known to a particular EFE representative but not yet by the Company as a whole (i.e. the Board)
- The Company may not have yet complied with its continuous disclosure obligations in relation to a particular event or circumstance and there will always be some element of delay in doing so
- One or more EFE representatives are aware of an event or circumstance of which the Board as a whole is not yet aware
- EFE representatives will generally have a better feel for the performance of the Company than the public

In these situations there is potential for the contravention of the insider trading prohibitions. There is also the potential for an appearance of a contravention even if there has not been an actual contravention. This could reflect badly on the Company as well as on the EFE representative concerned.

For these reasons, the advice of the Chairman (in the case of Directors) or the Executive Director (in the case of employees and consultants) should be sought prior to any dealings taking place.

When an EFE representative may deal in securities (trading window)

The Chairman will generally allow directors, and the Executive Director will generally allow employees and consultants, to deal in securities of the Company as a matter of course (unless there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception) in the following open periods:

- Within the period of four weeks after the release of annual, half yearly or quarterly results
- Within the period of four weeks after the Annual General Meeting of the Company's shareholders
- Within the period of four weeks after the Company issues a prospectus
- Within the period of four weeks after the release of a major announcement leading, in the opinion of the Board, to an informed market

EFE representatives and persons associated with any of them must wait until the following Business Day after the relevant release or meeting so that the market has had time to absorb the information.

All periods other than the open periods above are "closed periods" during which all EFE representatives and persons associated with any of them are generally prohibited from Dealing in Securities of the Company.

When an EFE representatives and persons associated with any of them must not deal in securities

EFE representatives and persons associated with any of them must not Deal in Securities of the Company at all times unless:

- They have satisfied themselves that they are not in possession of any Price Sensitive Information that is not Generally Available to the public
- They have advised the Chairman or Executive Director of their intention to do so
- The Chairman or Executive Director (as the case may be) has made appropriate enquiries of other Directors

- The Chairman or Executive Director has indicated in writing that there is no impediment to them doing so
- The proposed Dealing occurs during an open period

EFE representatives and persons associated with any of them must not communicate Price Sensitive Information to a person who may deal in securities of the Company at all times.

This policy also prohibits immediate family members and companies, trust and entities which are controlled by an EFE representative in trading in the Company's Securities in the 'Closed period'. An immediate family member is the spouse, de facto partner and children under 18 years of age of the EFE Representative.

Exceptional Circumstances – Permission to deal

In exceptional circumstances, where it is the only reasonable course of action available to an EFE representatives and persons associated with any of them, clearance may be given by the Chairman and at least one other Non-executive Director for the EFE representative to sell (but not to purchase) securities when he or she otherwise would not be permitted to do so by this policy.

An example of the type of circumstances which may be considered exceptional for these purposes would be a pressing financial commitment on the part of the EFE representatives and persons associated with any of them that cannot otherwise be satisfied.

The determination of whether the circumstances are exceptional for this purpose must be made by the Chairman and at least one other Non-executive Director.

The following conditions must still be satisfied for permission to deal in exceptional circumstances to be given:

- They have satisfied themselves that they are not in possession of any Price Sensitive Information that is not Generally Available to the public
- They have advised the Chairman or Executive Director of their intention to do so
- The Chairman or Executive Director (as the case may be) has made appropriate enquiries of other Directors
- The Chairman or Executive Director has indicated in writing that there is no impediment to them doing so
- The proposed Dealing occurs during an open period

Dealings in Securities not subject to these rules

This policy does not restrict eligible EFE representatives from participating in the Company's Performance Rights Plan (PRP) but any dealing of the Company's Securities to which an EFE representative becomes entitled under the PRP is only permitted in accordance with this policy.

The following dealings in securities of the Company are not subject to this policy:

- The acceptance of a takeover offer or scheme of arrangement
- A dealing which does not result in a change in beneficial control e.g. an employee transferring a personal holding of the Company's Securities to their or their immediate family members personal superannuation fund
- A dealing pursuant to a Corporate Action which is generally applicable to or open to holders of securities of the Company and include:
 - a dividend reinvestment plan
 - a bonus issue
 - a rights issue
 - an entitlement issue
 - the payment of a call or instalment on a partly paid security
 - a buy-back
 - capital reorganisation (including splits and consolidations)
 - the conversion of a convertible security
 - an in specie distribution of securities in another entity

- a share purchase plan
- A dealing by an Eastern Resources Group company acting as trustee for employees under an PRP
- A dealing in the Company's Securities by reason of those shares being a component of a managed fund, index product or listed investment entity

Notification of directors' dealings in securities

A Director of a listed company must notify ASX within 14 days of acquiring or disposing of a relevant interest in any securities of the Company. This is an obligation of the Director, not the Company.

The Company must notify the ASX of dealing in securities by directors within 5 Business Days .

Three appendices are included in the ASX Listing Rules for the purpose of this notification:

- 3X: Initial Director's Interest Notice
- 3Y: Change of Director's Interest Notice
- 3Z: Final Director's Interest Notice

Where an Appendix 3Y is lodged with ASX, the director's obligations under section 205G of the Act will be satisfied.

Notification to company secretary

Directors must notify the Company Secretary immediately on acquiring or disposing of a relevant interest in any securities in the Company.

Breach of Policy

A breach of this policy by an EFE representatives and persons associated with any of them will be regarded seriously. It may constitute a breach of the law and it may lead to disciplinary action being taken and may result in summary dismissal.

Speculative Dealing and Hedging

EFE representatives and persons associated with any of them must not at any time engage in short- term trading in securities of the Company.

EFE representatives and persons associated with any of them must not at any time hedge options issued to them under an employee option plan prior to vesting of the options.

6. DIVERSITY POLICY

The Company is committed to equal opportunity and diversity at all levels of its workforce and dedicated to promoting a culture that embraces this approach. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. There shall be a focus on gender diversity throughout the various levels of employment and management in the Company.

The Company believes that diversity will broaden the pool for recruitment of employees and directors, enhance retention, encourage innovation, and ensure that the Company benefits from all available talent. Furthermore, we believe that the promotion of diversity is a socially and economically responsible governance practice.

The Board will establish measurable objectives for achieving greater diversity and, in particular, gender, age and cultural diversity. The objectives may include, but are not limited to:

- Promoting the concept of equal opportunity within the Company and that employment, development and promotion are based upon merit
- Ensuring that recruitment of employees and directors is made from a diverse pool of qualified candidates
- Identifying programmes that assist in the development of a broader pool of skilled and experienced Board candidates
- Identifying and addressing any workplace behaviour that is inconsistent with the diversity objectives of the Company

The Company shall, in its annual report, disclose the proportion of female employees in the organisation, women in senior executive positions and women on the Board.

7. SHAREHOLDER COMMUNICATION POLICY

The purpose of this Policy is to promote effective communication with the Company's shareholders, ensure shareholders have ready access to balanced and understandable information about the Company and encourage effective participation by shareholders at the Company's General Meetings.

The Company will ensure that the documents detailed in this Policy are available on the Company's website 'www.easternresources.com.au' under the "Corporate Governance" section within a reasonable timeframe after it is released to the ASX.

The Company will ensure that shareholder communications are distributed to shareholders within the timeframes dictated by the Corporations Act and the ASX Listing Rules.

Information will be communicated to shareholders through the following ways:

- Annual Report. Shareholders will be provided with a detailed review and analysis of the Company's objectives, performance and key financial information through the Annual Report (year ending 30 June). Shareholders with an email address will receive a PDF link to the Annual Report from the Share Register. Any holders with a postal address must specifically choose to receive a hard copy of the report. Shareholders can elect annually to choose how they receive this information.
- Half-Year Report. The Half-Year Report is a summary of the results of operations and key financial information
- Quarterly Reports. Each quarter an update of the Company's quarterly activities and cash flow will be issued to the market
- ASX announcements. The Company will ensure that all material information is released to the ASX with the objective of keeping the market fully informed of information that may have a material effect on the price or value of the Company's securities.
- Annual General Meetings. The Company holds its Annual General Meetings (AGM) in November of each year. The date, time and location of the AGM will be detailed in the Notice of Annual General Meeting which is released to the ASX and available on the Company's website in October of each year. A proxy form allowing shareholders to appoint a proxy in the event they cannot attend the AGM will accompany the Notice of Meeting. At the AGM, shareholders are encouraged to participate and ask questions. The Company will ensure the external auditor is in attendance at the AGM to answer shareholder questions about the conduct of the audit, and the preparation and content of the Independent Audit Report. The Chairman's address will be released to the ASX prior to the commencement of the AGM. Results of the AGM will be released to the ASX at the conclusion of the AGM.
- Analyst and Investor Briefings and Conferences. Analyst and investor briefings and conference presentations will be released to the ASX on commencement of the meeting/conference.
- Website. The Eastern Resources website 'www.easternresources.com.au' will be the primary method of communicating with shareholders. Shareholder information will be available under the "Investor" section of the website. The following information will be placed on the website after it is released to the ASX:
 - Half-Year Reports and Annual Reports for at least the last 3 years; Notices of General Meetings for at least the last 3 years
 - Analyst and investor briefings for at least the last 3 years
 - Any prospectus issued by the Company in the last 3 years
 - Corporate Governance documents, such as Board Charters, Committee Charters, Company Policies and the Company's Constitution
 - All announcements released to the ASX for at least 3 years

Eastern Resources encourages communication with shareholders via email. Shareholders are encouraged to register their email address with the Share Register Automatic Group. The Annual Report will be sent to

shareholders, who have elected to receive it. Company prospectuses will be posted to all shareholders. All other correspondence will be done via the Company's website or email.

All ASX announcements are available under the "Announcements" section of the ASX website 'www.asx.com.au'. The code for ASX purposes is EFE.

For all share related enquiries, shareholders should contact the Company's Share Registry.

Automic Group

hello@automicgroup.com.au

1300 288 664 (within Australia) or +61 2 9698 5414

www.automicgroup.com.au

8. RISK MANAGEMENT POLICY

It is the Company's belief that an effective risk management system is integral to the Company's strategic objectives and maintaining shareholder value. The Company's Risk Management Policy reflects the Company's risk profile and tolerance levels.

The Board is responsible for reviewing the Company's policies for the oversight and management of material business risks and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Management is responsible for the design, implementation and development of risk management and internal control systems to manage material business risks.

The Board does not have a formal Risk Committee and issues normally covered by a Risk Committee are discussed at each Board meeting. Management reports to the Board on the Company's key risks and the extent to which it believes these risks are being managed.

The key risk management policies include the following categories of risk:

- Strategic and operational risk: including internal control, environmental issues, WHS and tenement management
- Compliance risk: including compliance with all applicable legal and regulatory requirements of the Company and ethical codes of conduct
- Financial risk: including market price risk, liquidity risk and credit risk

Strategic and operational risks are reviewed by management as part of their strategic planning, forecasting and budgeting process.

The Executive Director annually provides formal statements to the Board declaring that the Company's financial reports give a true and fair view, in all material respects, of the Company's financial position and comply in all material respects with relevant accounting standards. The statement includes declarations made in accordance with section 295A of the Corporations Act and are founded on a sound system of risk management, internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Chief Executive or Chief Financial Officer function annually reports to the Board, that the risk management and internal control systems are operating effectively in relation to material business risks for the period.

The Board ultimately has responsibility for internal compliance and control. The Executive Director and financial staff are responsible for the design and implementation of internal control systems and processes. The Audit Committee has responsibility for ensuring that the internal control systems are in place to monitor and manage risk.

9. CODE OF CONDUCT & ETHICS POLICY

This Code of Conduct & Ethics policy governs the conduct of Eastern Resources representatives and all other people when they represent the Company.

EFE representatives and all other people when they directly or indirectly represent the Company must comply with all laws governing its operations including the principles of the:

- Corporations Act
- ASX Corporate Governance Guidelines
- Australian Standard on Whistleblower Protection Programs for Entities (AS 8004-2003) (Australian Standard)

They must also conduct Company operations in keeping with the highest legal, moral and ethical standards.

All EFE Representatives must conduct business with the highest level of ethics and integrity. This obligation applies particularly to dealings with shareholders, customers, suppliers, competitors, governments, regulators, other EFE Representatives and all other stakeholders.

EFE Representatives must, at all times, act:

- Ethically, honestly, responsibly and diligently
- In full compliance with the letter and spirit of the law and this Code
- In the best interest of the Company

Any breach of applicable laws, prevailing business ethics or other aspects of this Code will result in disciplinary action. Such disciplinary action may include reprimand, formal warning, demotion or termination of employment.

Similar disciplinary action will be taken against any supervisor or manager who directly approves (and/or condones) such breach or has knowledge of the breach and does not immediately take appropriate remedial action.

Breach of applicable laws or regulations may also result in prosecution by appropriate authorities. Eastern Resources will not pay, directly or indirectly, any penalties imposed on an EFE Representative as a result of a breach of law or regulation. Eastern Resources will also not pay the legal costs of an EFE Representative convicted of breaching such law or regulation.

All EFE Representatives must immediately report any circumstances which may involve deviation from this Code to either the Executive Director, Company Secretary, or the Chairman.

Any EFE Representatives concerned about possible repercussions are advised that reports can be made confidentially.

The Executive Director and external auditors review the operations of Eastern Resources and as part of this review they will report to the Board any breaches of this Code.

Any EFE Representative dealing with agents, contractors or consultants who represent the Company are to ensure the external parties are aware of this Code and that they are expected to conduct their business in accordance with this Code.

All new or replacement contracts with agents, contractors or consultants should comply with the “Eastern Resources Code of Conduct & Ethics”.

A Statement of Compliance with regard to the Code of Conduct & Ethics policy will be incorporated into the Management Representation letter to the Board.

The operations of the Company must, at all times be conducted in compliance with all laws and regulations applicable in Australia and in the jurisdiction in which operations and activities are being undertaken.

Compliance with the law means observing the letter and spirit of the law as well as managing the business of the Company so that the Company and EFE Representatives are recognised as “good corporate citizens” at all times.

It is recognised that, in some cases, there may be uncertainty about which laws and regulations are applicable and there may be difficulties in interpretation. In such circumstances, EFE Representatives must seek advice from EFE’ Legal Counsel to ensure compliance.

Harassment and bullying are inappropriate workplace behaviour and will not be tolerated. This comprises any behaviour that intimidates, offends, degrades, insults or humiliates an employee, possibly in front of co-workers, clients or customers and which includes physical or psychological behaviour.

Eastern Resources endeavours to ensure that no member of its personnel will engage in unwelcome or uninvited conduct that targets a person because of a personal characteristic, or focuses on a personal characteristic such as race, gender, disability, sexuality or age and which causes another to feel offended, embarrassed, humiliated or intimidated where a reasonable person would, in the circumstances, anticipate that the person would feel that way.

Political contributions (to any government official, political party, political party official, election committee or political candidate) must not be made directly or indirectly on behalf of the Company without the prior approval of the Board.

Bribes, kickbacks, inducements or similar payments must not be made to or for the benefit of any government official (of any country), customer, supplier or any other party in connection with obtaining orders or favourable treatment or for any other purpose.

This prohibition extends not only to direct payments but also to indirect payments made in any form through distributors, representatives, consultants, agents or other third parties.

The Company is fully entitled to enter into commercial arrangements whereby legitimate success fees are paid to third parties for the introduction of commercial transactions, which if successful are of benefit to the Company.

EFE Representatives must not seek or accept any type of compensation, fee, commission or gratuity from a third party in connection with the operations of the Company.

EFE Representatives must not give, seek or accept in connection with the operation of the Company any gift, entertainment or other personal favour or assistance which goes beyond common courtesies associated with accepted general commercial practice.

This is to ensure that the offer or acceptance of a gift cannot create an obligation or be construed or used by others to allege favouritism, discrimination, collusion or similarly unacceptable practices by the Company.

For avoidance of doubt, any gift received by a EFE Representative (or series of gifts from the one party) which might, as a matter of judgement, be considered to go beyond common courtesies associated with accepted general commercial practice, must be reported to the Company Secretary with full details of the background of the gift.

EFE Representatives are responsible for taking all prudent steps to ensure the protection of Company assets and resources. In particular, they should take care to minimise the possibility of theft of Company property.

EFE assets and resources should be used for the purpose of Company business and in accordance with Company Policies. Reasonable use for other purposes with appropriate authorisations may be permitted.

EFE Representatives must ensure that all Company accounting records accurately and fairly reflect, in reasonable detail, the underlying transactions of all Company assets, liabilities and any disposal of EFE assets.

Accounting records must be maintained in accordance with the accounting standards set by the Corporations Act, ASX Listing Rules and Financial and Accounting Policies issued by Eastern Resources.

EFE Representatives must fully co-operate with the external auditors.

EFE Representatives must not make false or misleading statements and must not conceal any relevant information from the external auditors.

EFE Representatives must not, without authority, directly or indirectly state that they are representing the Company or its public position in respect of any matter.

EFE Representatives must not directly or indirectly engage in any activity which could by association cause the Company public embarrassment or other damage.

EFE Representatives must not use their position for personal benefit independent from the business of the Company or to benefit any other business or person.

EFE Representatives must not take advantage of any property or information belonging to the Company, or opportunities arising from those, for personal benefit independent from the business of the Company or to benefit any other business or person.

No EFE Representative, or any family member or companion over which the EFE Representative has influence, may directly or indirectly have an equity interest in, or have a significant beneficial connection with, any business or individual which competes with or is a supplier to the Company without the prior written consent of the Chairman or his nominee. (The above prohibition would normally be waived in relation to employment by a competitor under normal commercial terms in non-commercially sensitive positions.)

EFE Representatives must not engage directly or indirectly in any outside business activity involving commercial contact with, or work for the benefit of commercial customers, suppliers or competitors without the prior written consent of the Chairman or his nominee.

EFE Representatives must not disclose confidential Company information to any third party without the prior consent of the Executive Director or if required by law (after advising the Company Legal Representative).

EFE Representatives must maintain the confidentiality of all Company documents and must not disclose any information contained within the documents to any third party without the prior consent of an appropriate Manager or if required by law (following advice from the Company Legal Representative).

EFE Representatives must not use Company information for the purpose of directly or indirectly obtaining personal gain.

Security Trading Policy

The Company has a Security Trading Policy sets guidelines designed to protect the Company and EFE Representatives from intentionally or unintentionally breaching these laws.

10. ENVIRONMENTAL POLICY

Eastern Resources is committed to ensuring that all its operations and activities are conducted in a manner that minimises impacts on the environment.

The Company recognises that its operations have an environmental impact and has adopted an approach of proactively managing activities and adopting techniques which minimise environmental harm. The Company also recognises the rights of others in the environment.

Eastern Resources commitment and leadership is demonstrated by its approach to stakeholder engagement, environmental management and recognition that in addition to statutory approvals, the Company requires a 'social licence to operate'. This 'licence' can only be achieved through demonstrating commitment and leadership and being an upstanding corporate citizen.

EFE recognises its responsibility to manage with high professional standards the environmental impacts associated with its operations as it pursues its objective of generating value for shareholders, employees and local communities.

The Company aims to minimise its environmental impacts at every stage of operation, from planning through exploration, development, mining, production, decommissioning and closure.

This policy applies to all EFE representatives of Eastern Resources Limited and its subsidiaries in all operational locations.

The Company's commitment to its environmental management objectives will be to:

- Comply with all applicable environmental legislation, licences and regulations at all times, and at all locations
- Establish and maintain standards, procedures and management controls through the development and implementation of an Environmental Management System
- Implement procedures to measure performance, including regular audits of all operational sites to verify compliance with the Environmental Policy and applicable regulations
- Regularly measure, review and evaluate environmental performance
- Identify, manage and monitor potential environmental impacts, striving to exceed leading industry best practice
- Rehabilitate all disturbed land surfaces when appropriate
- Wherever possible, protect sites of cultural significance

- Ensure timely and effective communications with stakeholders, landowners, traditional owners and others who may be directly affected by operations
- Communicate regularly with employees, suppliers, contractors and customers about the aims and objectives of the Environmental Policy
- Provide ongoing information to the community, shareholders and government authorities about the Company's environmental performance
- Provide appropriate training and awareness for all personnel on environmental issues

All EFE Representatives and visitors will undergo a formal comprehensive site induction prior to entry to site to ensure that personnel have the appropriate knowledge concerning health and safety, environmental and community relations policies, objectives and targets.

11. FRAUD POLICY

Eastern Resources is committed to preventing fraud and corruption and promoting an anti-fraud culture.

Occupational fraud falls into four main categories:

- Theft through the misappropriation or misuse of assets for personal benefit
- Bribery and corruption
- False accounting and/or making fraudulent statements for personal gain or gain for another
- Externally perpetrated fraud against the Company

The following principles apply within the Company:

- EFE representatives must not defraud the Company, other representatives, clients or its contractors
- EFE will not tolerate fraud, impropriety or dishonesty and will investigate all instances of suspected fraud, impropriety, or dishonest conduct
- EFE will take action, including dismissal and/or criminal prosecution, against any EFE representative defrauding (or attempting to defraud) the Company
- EFE will take action, including criminal prosecution, against external organisations defrauding (or attempting to defraud) the Company, EFE representatives in the course of their work, clients or contractors
- EFE will co-operate fully with an external investigating body
- EFE will seek to recover funds lost through fraud

Management is responsible for encouraging an anti-fraud culture in Eastern Resources and EFE representatives and all other people when they represent the Company by ensuring:

- EFE representatives have, and are seen to have, the highest standards of honesty, propriety and integrity in the exercise of their duties
- EFE representatives act with propriety in the use of resources and in the handling and use of company funds whether they are involved with cash or payment systems, receipts or dealing with contractors or suppliers
- EFE representatives understand the fraud policy which EFE maintains
- If fraud occurs a vigorous and prompt investigation takes place
- Appropriate disciplinary and legal action is taken in all cases, where justified
- Systems and procedures are reviewed to prevent similar frauds
- All cases of fraud are recorded and reported

Management is responsible for the detection and prevention of fraud, misappropriations and other irregularities. They should be alerted to the possibility that unusual events may be symptoms of fraud or attempted fraud and that fraud may be highlighted as a result of management checks or be brought to their attention by a third party. Management must:

- Be aware of the potential for fraud

- Ensure that an adequate system of internal control exists, appropriate to the risk involved and those controls are properly operated and complied with
- Review and test control systems to satisfy themselves the systems continue to operate effectively

EFE representatives must report details of any suspected fraud, impropriety or other dishonest activity immediately to Executive Management / Directors or the Company's auditors. Under the Company's Code of Conduct and Ethics, EFE representatives can do so without fear of prejudice or harassment, and in confidence. They may be required to assist in the investigation of any suspected fraud.

Management will inform Executive Management / Directors if there are indications that an external organisation (such as a contractor or client) may be trying to defraud (or has defrauded) the Company or EFE representatives.

They will also inform Executive Management / Directors if they suspect EFE representatives may be involved in fraudulent activity, impropriety or dishonest conduct.

Executive Management / Directors will report all cases of fraud to the Audit Committee. Executive Management / Directors will inform other Board members immediately of such suspicions.

EFE representatives reporting or investigating suspected fraud should take care to avoid doing anything which might prejudice the case against the suspected fraudster.

Concerns which should be reported include, but are not limited to, EFE representatives committing or attempting to commit: any dishonest or fraudulent act, forgery or alteration of documents or accounts, misappropriation of funds, supplies or other assets, impropriety in the handling or reporting of money or financial transactions, profiting from an official position, disclosure of official activities or information for advantage, accepting or seeking value from third parties by virtue of official position or duties, and theft or misuse of property, facilities or services.

External organisations' actions which should be reported include: being offered a bribe or inducement by a supplier, receiving fraudulent (rather than erroneous) invoices from a supplier, and reported allegations of corruption or deception by a supplier.

Response to fraud or suspected fraud

Eastern Resources will respond with the following action in the event of fraud being discovered or suspected:

- Incidents, including details of allegations, investigations and conclusions will be recorded
- Frauds, and allegations of fraud, will be investigated by an appointed suitably qualified senior EFE representative independent of the area under suspicion
- Progress on investigations will be reported to the Audit Committee

Investigation responsibilities

The Audit Committee will:

- Oversee the internal control system designed to counter the risks faced by the Company
- Oversee investigations of allegations of fraud
- Receive the investigating officer's findings
- Consider an appropriate response

The Executive Director will assist the Audit Committee to develop and maintain effective controls against fraud.

The appointed Investigator will:

- Carry out a thorough investigation if fraud is suspected
- Gather evidence, take statements and write reports on suspected frauds
- Identify any weaknesses which contributed to the fraud
- If necessary, make recommendations for remedial action

To carry out these duties the appointed investigator will have unrestricted access to Executive Management, the Audit Committee, the Company's Auditors, and the Eastern Resources legal advisers.

12. WHISTLEBLOWER POLICY

EFE representatives are encouraged to come forward and voice any concerns regarding transparency in the workplace and wrongdoing.

Individuals who disclose wrongdoing can do so safely, securely, and with confidence that they will be protected and supported and with assurance that disclosures of wrongdoing will be dealt with appropriately and promptly.

Reports may be made under this Policy by any EFE representative. EFE Representatives should first report any matters of concern to their direct report. Where this is not appropriate, where the employee does not feel comfortable making an internal report, or where an employee has made an internal report but no action has been taken within a reasonable time, a report can be made directly to the Chairman.

A reportable matter is any information about Eastern Resources or EFE representatives that the discloser has reasonable grounds to suspect concerns misconduct, or an improper state of affairs or circumstances in relation to the Company.

This includes where the Discloser has reasonable grounds to suspect that the information indicates EFE or any EFE representative has or may have engaged in conduct that:

- Constitutes an offence against, or a contravention of the Corporations Act 2001 (Cth), the Australian Securities and Investments Commission Act 2001 (Cth); any other law of the Commonwealth that is punishable by imprisonment for a period of 12 months or more
- Represents a danger to the public or the financial system (even if it does not involve a contravention of a particular law)
- Is a serious breach of any internal policy or code of EFE
- Is illegal (such as theft, use of illicit drugs, violence or criminal damage against property)
- Constitutes dishonest, fraudulent or corrupt activity, including bribery, tax evasion, money laundering or misappropriation of funds
- Constitutes a danger to health and safety at EFE
- Causing or threatening to cause detriment to a Discloser who has made a report under this Policy, or who is believed or suspected to have made or be planning to make a report under this Policy

A Discloser must have reasonable grounds for a report made under this Policy. A mere allegation with no supporting information is unlikely to be considered as having reasonable grounds. However, a Discloser does not need to prove their allegations. A Discloser will still qualify for protection under this Policy even if their disclosure turns out to be incorrect.

The reporting of false information is taken seriously by Eastern Resources. Individuals who deliberately or knowingly report false information will not be able to access the protections available under this Policy for Disclosers, or any legal protections, and individuals who are EFE representatives may be subject to disciplinary action or termination of engagement.

Any EFE representative who has concerns about conduct within the Company which appears to them to be illegal, unethical or otherwise improper, may feel apprehensive about raising their concern because of the fear of possible adverse repercussions to them, particularly where their immediate or a senior manager is involved in the alleged conduct.

In such circumstances EFE will:

- Encourage EFE representatives to report their concerns, preferably openly but, if necessary, anonymously
- Ensure that EFE representatives reporting their concerns are afforded confidentiality (unless the Representative indicates otherwise)
- Ensure that the matter raised is properly investigated with a view to establishing the truth and correcting any wrongdoing
- Ensure that the matter is investigated in a timely manner
- Ensure that the EFE representative is advised of the outcome of the investigation and any action taken (unless anonymous)

- Ensure that the EFE representative is not in any way victimised or adversely affected because of their action (provided that there is a basis for their concern)

If a person does not wish to report any relevant conduct to a nominated EFE representative for any reason or if the matter relates to the head of the organisation, the report can be made to an independent third party, appointed by this committee (the Company's Auditors) who will investigate breaches of the code while maintaining anonymity and confidentiality.

Illegal, unethical or otherwise improper conduct includes:

- Criminal offence
- Failure to comply with any legal obligation
- Failure to comply with any other obligation of EFE as a company listed on the Australian Securities Exchange
- Unfair or unethical dealing with a customer of EFE
- Breach of internal policies
- Corrupt conduct
- Risk to the health or safety of any person
- Unethical conduct
- Any other matter raised in this policy
- Any deliberate concealment relating to the above