

BUSINESS ETHICS

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Lycopodium

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The Management of Lycopodium Minerals Pty Ltd (Lycopodium) is committed to consistently high professional standards in relation to all business interactions with clients, suppliers, vendors, consultants, service providers, contractors and government authorities. To this end all personnel shall adhere to the guidelines outlined below relating to business ethics. Failure to comply will be subject to disciplinary action or dismissal from the Company, emphasising the importance of proper business ethics to Management.

1.0 PROPOSALS AND TENDERS

- Lycopodium has no pre-existing relationship or agreement with any subconsultant or service provider which mandates their use in proposals or tenders.
- Personnel shall not enter into any form of agreement, written or implied, which mandates the use of a specific sub-consultant or service provider should a study progress to project execution without the prior approval of the Client or a Director.
- Board approval is required prior to negotiation and entry into formal joint venture or collaborative relationships of any form (i.e. EPCM, EPC).
- Proposals for studies or consulting briefs which utilise subconsultants or service providers shall be developed using competitive tenders. Where specialist skills or services necessitate sole source tendering, this shall not be disclosed to the tenderer. Therefore all enquiries shall be treated as competitively tendered, even if sole sourced.
- Strict confidentiality shall be maintained in regard to all submissions.
- Lycopodium personnel may request clarification of the scope of work / services and associated impact on pricing with respect to subconsultant's or service provider's tender submission. However, Lycopodium personnel shall not coerce subconsultants or service providers to modify their standard rates or price to favour their submission over others. Lycopodium operates under the premise that the 'first price is the best price'.

2.0 SUPPLIERS, VENDORS, CONTRACTORS

- Lycopodium has no pre-existing relationship or agreement with any supplier, vendor, consultant or contractor which mandates their use in the execution of projects.
- All suppliers, vendors, consultants and contractors will be provided with the same information, support and direction with regard to all tenders and enquiries.
- Tendering for equipment or services contracts shall be competitively based. Sole sourcing shall be subject to the Client or, in the Client's absence the prior approval of a Director or Manager of Projects, where the capital value exceeds A\$50,000.

- Lycopodium adopts a business philosophy of properly weighted risk versus reward and therefore the intention will always be that all enquiry documentation reflect fair and reasonable commercial terms and conditions.
- All parties invited to bid on any enquiry or tender should be to the best of our knowledge 'real contenders' for the award of the contract when adjudicated commercially and technically. Simply put: 'do not include an organisation on the bid list unless you are happy to award them the contract once objectively assessed'.
- All commercial related correspondence and communications throughout the tender process shall only be undertaken through the nominated Project or Project Services personnel.
- Strict confidentiality shall be maintained in regard to all submissions.
- Lycopodium personnel may request clarification of the scope of work / services / supply and associated impact on pricing within a tender submission. However, Lycopodium personnel shall not coerce any supplier, vendor, consultant or contractor to modify their standard rates or price to favour their submission over others.

3.0 CONFLICTS OF INTEREST

A conflict of interest may arise where the interests of an employee of Lycopodium interferes or appears to interfere with the interests of the Company or the Client. To avoid such conflicts arising, employees are obliged to:

- advise their manager of any material interest that they may have in a Client, supplier or service provider
- advise the Company before agreeing to become a director of any company which may result in a conflict of interest
- not seek or accept offers of gifts or favours which might influence or appear to influence the making of any business decisions
- not accept gifts or favours which are of a material nature at any time, regardless of whether they may influence a business decision or not, and
- not be involved in any other business or position that may result in them not being able to carry out their duties and responsibilities to the Company.

Employees are encouraged to raise any concerns with their manager with regard to a conflict of interest as soon as they become aware of the issue.

In addition a conflict of interest may exist where the Company acts for (or intends to act for) a Client in circumstances where, to do so will result in (or is likely to result in) the Company breaching its obligations owed to another client. In such circumstances, where an employee has a

suspicion that such a conflict may exist (e.g. due to confidentiality obligations) they must consult with a Director or Manager of Projects and not take any further steps that could contribute to the conflict or potential conflict until the matter has been resolved.

4.0 CORRUPTION INVOLVING PUBLIC OFFICIALS

Lycopodium does not condone corruption in any form. There are harsh penalties that apply to both Lycopodium and individuals involved where a bribe has been offered or provided to a person in a public position (either in Australia or internationally) in order to secure an illegitimate benefit in return.

Please note that a bribe means any benefit that is given or offered with the intention of influencing a public official in the exercise of their official duties in order to obtain or retain an illegitimate benefit. The bribe does not need to be given to the public official directly, but could be to a relative or even a third party. The benefit is any advantage, not just monetary.

In the event any person becomes aware of or has a suspicion as to the existence of corruption (either within Lycopodium or via our agents, clients, consultants or contractors), they must immediately report the matter to a Lycopodium director for further investigation and action. Any Lycopodium director who believes the allegation of corruption is founded must report the matter to the Australian Federal Police.