

FOREST GATE RESOURCES INC.

CODE OF ETHICS

INTRODUCTION

This Code of Ethics (the "Code") has been adopted by the Board of Directors of Forest Gate Resources Inc.

This Code applies to Forest Gate employees, officers including the Chief Executive Officer, the Chief Financial Officer, and to members of the Board of Directors of Forest Gate and its subsidiaries.

The Company has adopted this Code for the purpose of fostering a climate of honesty and integrity. The Code reflects the Company's commitment to a culture of honesty, integrity and accountability and outlines the basic principals and policies of ethical conduct to which all directors, officers and employees are expected to adhere in the conduct of the Company's business.

The Company requires the highest standards of professional and ethical conduct from its directors, officers and employees. The Company's reputation with its shareholders and prospective investors for honesty and integrity is key to the success of its business. No director, officer or employee will be permitted to achieve results through violations of laws, rules or regulations, or through unscrupulous dealings.

Forest Gate expects every employee, officer and director of the Corporation or of its subsidiaries to act in full compliance with the policies set forth in this Code. Failure to observe these policies may subject the employee, officer or director to disciplinary action up to and including termination. A violation of this Code may also be a violation of the law and could result in civil or criminal penalties being imposed on the individual personally and on Forest Gate.

COMPLIANCE AND REPORTING

Forest Gate expects employees and directors to take all reasonable action to prevent a violation of this Code, to identify and raise potential ethical issues facing the Corporation before they lead to problems and to seek guidance when necessary. No employee will be adversely affected because the employee refuses to carry out a directive which, in fact, constitutes corporate fraud, or is a violation of federal or provincial law.

Forest Gate has a Whistleblower Policy which provides a procedure for reporting suspected violations without retaliation.

STANDARDS OF CONDUCT

1. Conflicts of Interest

All employees, officers' and directors primary responsibility is to act in the best interests of Forest Gate and its shareholders.

A "conflict of interest" occurs when an individual's private or other business interest improperly interferes, or appears to interfere, with the interests of Forest Gate. A conflict situation can arise when an employee, officer or director takes actions or has private or other business interests that may make it difficult to perform his or her company work objectively and effectively. Conflicts of interest may cause an employee, officer or director to make decisions based on personal gain rather than in the best interests of Forest Gate and its shareholders.

Employees, officers and directors should avoid such conflicts of interest. In particular, employees, officers and directors may not use or attempt to use their position at Forest Gate to obtain any improper personal benefit. Forest Gate recognizes that the services of some of its employees, officers and directors are retained on a part time basis. Such employees, officers and directors will therefore take part in financial, business, and other activities outside their responsibilities to Forest Gate. These activities, however, must be free of conflict with each individual's responsibilities as a Forest Gate employee, officer or director. Forest Gate employees, officers or directors must not serve as directors or officers of, or work as employees or consultants for, a competitor or an actual or potential business partner of Forest Gate without the prior approval of the Board of Directors.

Forest Gate employees, officers and directors may not invest in or trade in shares of a competitor or an actual or potential business partner of Forest Gate where such investment or trading may appear or tend to influence business decisions or compromise independent judgment. This prohibition does not apply to shares of a publicly traded company where such investment or trading relates to less than five percent of its issued shares.

Investing or trading in Forest Gate's competitors or business partners remains subject to applicable laws and regulations regarding insider trading, including prohibitions against trading when in possession of material non-public information regarding such companies, whether such information is gained in the course of employment with Forest Gate or otherwise.

Acceptance by an employee, officer or director (or a member of his or her immediate family) of gifts or entertainment of a value that may influence business decisions or compromise independent judgment is prohibited.

If a conflict of interest exists, and there is no failure of good faith on the part of the employee, officer or director, Forest Gate's policy generally will be to allow a reasonable amount of time for the employee, officer or director to correct the situation in order to

prevent undue hardship or loss. However, all decisions in this regard will be at the discretion of the Board of Directors whose primary concern in exercising such discretion will be the best interests of Forest Gate and its shareholders.

If an employee, officer or director is aware of a material transaction or relationship (including those involving family members) that could reasonably be expected to give rise to a conflict of interest, he or she should discuss the matter promptly with the Company's Compliance Director, the Chief Executive Officer or Chairman of the Board.

2. Public Disclosure

Forest Gate is committed to providing timely, factual and accurate disclosure of material information about Forest Gate to its shareholders, the financial community and the public. Employees, officers and directors involved in the Corporation's disclosure process are responsible for acting in furtherance of this policy and should understand and comply with such policy.

3. Compliance with Laws, Rules and Regulations

Forest Gate is committed to complying with applicable laws and regulations in each jurisdiction in which it does business. Employees, officers and directors are expected to adhere to the standards and restrictions imposed by those laws and regulations.

Forest Gate and its employees, officers and directors are subject to laws and regulations regarding insider trading. Canadian securities laws prohibit trading in the securities of any company while in possession of material, non-public information regarding such company. Forest Gate has adopted a corporate Insider Trading Policy in order to prevent improper trading in its securities and the improper communication of undisclosed material information. Employees, officers and directors are required to comply with such policy.

It is Forest Gate's policy that neither Forest Gate nor its employees, officers or directors shall pay, offer to pay, or promise to give anything of value, directly or indirectly, to any government official for the purpose of influencing an official act or decision related to retaining or obtaining business or directing business to any person. Forest Gate may encounter particular pressure to make such payments in certain countries and employees, officers and directors should be particularly vigilant not to be tempted by assertions that such practices are common or condoned in that country. If an employee, officer or director is not certain that a proposed conduct is appropriate such conduct should be discussed with the Corporation's Compliance Director.

4. Corporate Opportunities

Employees, officers and directors are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position, unless Forest Gate has already been offered the opportunity and declined it; (b) using corporate property, information, or position for personal gain; and

(c) competing with Forest Gate.

5. Protection and Proper Use of Company Assets

All employees, officers and directors must protect Forest Gate's assets and ensure their efficient use. Forest Gate's assets must be protected from loss, damage, theft, misuse, and waste. Company assets include employees' and officers' time at work and work product as well as Forest Gate's equipment and vehicles, computers and software, trading and bank accounts, company information and Forest Gate's reputation, trademarks and name. Forest Gate's telephone, email, voicemail and other electronic systems are primarily for business purposes. Personal communications using these systems should be kept to a minimum. Employees, officers and directors should exercise prudence in incurring and approving business expenses, work to minimize such expenses and to ensure that such expenses are reasonable and serve Forest Gate's business interests.

6. Confidentiality

Employees, officers and directors should keep all confidential information in strict confidence, except when disclosure is authorized by Forest Gate or legally mandated. Confidential information includes, among other things, any non-public information concerning Forest Gate including its business, financial performance, results or prospects and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed. An employee's, officer's or director's obligation to safeguard Forest Gate's confidential information continues after his or her employment with Forest Gate ends.

7. Fair Dealing

Employees, officers and directors should endeavour to deal fairly with Forest Gate's counterparties, suppliers, competitors and employees. No employee, officer or director may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

8. Employee Harassment or Discrimination

Forest Gate is committed to fair employment practices and a workplace in which all individuals are treated with dignity and respect. Forest Gate expects that all relationships among persons in the workplace will be professional and free of bias and harassment.

9. Environmental, Safety, and Occupational Health Practices

Forest Gate believes that sound environmental, safety, and occupational health management practices are in the best interests of its business, its employees, its shareholders and the communities in which it operates. Forest Gate is committed to conducting its business in accordance with recognized industry standards and applicable environmental and occupational health and safety laws and regulations.

WAIVERS OF THIS CODE

From time to time, Forest Gate may waive certain provisions of this Code. Waivers generally may be granted only by the Chief Executive Officer. However, any waiver of the provisions of this Code for directors and executive officers, including the Chief Executive Officer and Chief Financial Officer may be made only by the Board of Directors and will be disclosed to shareholders as required by applicable rules and regulations