

YUKON ENERGY CORPORATION CODE OF CONDUCT GUIDELINES

Application

This code applies to directors and officers of the corporation.

Purpose

The purpose of the code is to provide general guidance on the standards expected of directors and officers, including guidelines on conflict of interest.

Standard of Conduct

It is the duty of every director and officer of the corporation to:

- (a) act honestly and in good faith with a view to the best interests of the corporation; and
- (b) exercise the care, skill, and diligence that a reasonably prudent person would exercise in comparable circumstances.

In addition, the board of directors is responsible to the Shareholder. Officers are responsible to the board of directors.

This means that directors and officers must ensure that the corporation complies with all laws and regulations that govern the conduct of its business and that the corporation acts ethically in its business dealings and community relationships. Directors and officers are expected to lead by example and must ensure that their personal and business conduct meets these high standards.

Conflicts of Interest

One fundamental duty of directors and officers is to act in the best interests of the corporation. Therefore, each director and officer must avoid any situation in which there is a conflict between his or her duty to the corporation and his or her private interest, including duties to others.

Except for director's fees, no member of the board shall derive any profit or financial advantage from his position as a member of the board. The same principle applies to officers.

Each director and officer must disclose all circumstances that constitute a conflict of interest or might be perceived by a reasonable, well-informed person to constitute a conflict of interest. A conflict may exist where a person close to the director or officer, such as a relative, partner, client or employer will benefit, even though the director or officer will not realize any personal profit or financial advantage.

Disclosure may be made by directors to the board at the meeting. However, it is better if disclosure is made as early as possible and in advance of a meeting. Such advance disclosure should be made by directors and officers to the Corporate Secretary and by the Corporate Secretary to the Chair. Any such advance disclosure must be reported to the board by the secretary or Chair. After disclosing the conflict, directors and officers must abstain from voting or otherwise participating in the decision-making process related to the matter in conflict and must excuse themselves from that portion of the meeting related to the matter. The disclosure and abstention shall be recorded in the minutes of the meeting.

If any director or officer is concerned that he or she or another director or officer may have a conflict of interest, he or she is encouraged to raise that concern with the Corporate Secretary who will investigate the concern and recommend actions needed to eliminate or address an actual or perceived conflict of interest.

Confidentiality

The duty of directors and officers to act in the best interests of the corporation requires them to maintain the confidentiality of all confidential information and records of the corporation and to not use or disclose the information or records, except in the course of the performance of their duties to the corporation.

Directors should assume that information given to the board is confidential until it is disclosed by management in the ordinary course of business. If in doubt, directors should consult with the Chair or the President for clarification.

Disclosure of confidential information to the Shareholder and his or her staff should ordinarily be made by the Chair or the President in accordance with established protocols and reporting procedures that have been approved by the board of directors. If other disclosure of confidential

information to the Shareholder or his or her staff is required, such disclosure should be reported to the board of directors.

Directors and officers may discuss confidential information or share confidential records with other directors, officers, and staff, but they must not disclose such information or records to any person outside the corporation, unless such disclosure is made by an officer in the course of performing his or her duties to the corporation.

Directors and officers must not use or disclose confidential information obtained from the corporation to further their private interests or the interests of their friends, relatives, or employers, or any other person or organization.

Enforcement

Voluntary disclosure of any possible breach of this code will be presumed to be a good faith effort to comply with the code.

If there has not been a good faith effort to comply with the code the Chair and/or the Corporate Secretary will report the breach to the board of directors for its advice and direction. In addition, any director or officer who derives profit or financial advantage by acting in breach of this code must account to the corporation by paying the corporation the amount of the profit or financial advantage.