

APPROVED:

BY DECISION OF
ALTIUS HOLDINGS INC
DATED 25 OCTOBER 2010

CEO ALASTAIR McBAIN



CORPORATE GOVERNANCE

CODE

Almaty, 2010

INTRODUCTION

This Corporate Governance Code (hereinafter referred to as “the Code”) contains the rules and guidelines observed by the Company to ensure a high level of business ethics both within the Company and when dealing with external parties.

This Code has been drawn up taking into account existing international Corporate Governance guidelines.

The Company voluntarily assumes and observes the provisions of this Code.

CORPORATE GOVERNANCE PRINCIPLES

The Corporate Governance Code is formed on the basis of justice, honesty, responsibility, transparency, professionalism, and competence. The effective structure of the Corporate Governance Code assumes the respect of rights and interests of all interested parties and promotes the successful activities of the Company, including the growth of its market value and maintenance of financial stability and profitability.

The Corporate Governance Principles described in this Chapter represent the basis for all the rules and guidelines contained in the following Chapters of the Code.

Protection of the rights and interests of the shareholders

- All directors are subject to election by shareholders at the first annual general meeting after their appointment, and to re-election thereafter every [2] years
- A quorum for the transaction of business at any meeting of the shareholders shall be at least two persons present in person, each being a shareholder entitled to vote or a duly appointed proxy or representative for an absent shareholder, and representing in the aggregate not less than fifty decimal one (50.1%) percent of the outstanding shares of the Company carrying voting rights at the meeting. If there should be only one shareholder of the Company entitled to vote at any meeting of shareholders, the quorum for the transaction of business at the meeting of shareholders shall consist of the one shareholder
- A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of shareholders
- The Company will provide all shareholders with a copy of its Financial Statements at the end of every 6 month period

Effective management of the Company by the Board of Directors and the Executive Body

- The Company is managed by the Executive Body, which comprises The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operational Officer (COO), the Country Manager and the Chief Engineer. The Executive Body ensures the running of the company on a day-to-day basis
- The Executive Body reports and is fully accountable to the Board of Directors and is responsible for ensuring that the Company acts in the best interests of the shareholders at all times
- The Executive Body provides to the Board of Directors a set of Management Accounts on a monthly basis. On top of this, the Company will provide all shareholders with a copy of its Financial Statements at the end of every 6 month period
- The Board consists of a minimum of one and a maximum of nine directors
- The role of the Board of Directors is to set the company's strategic aims, values and standards and ensure that it understands and meets its obligations to its shareholders and others. The Board meets sufficiently regularly to ensure it can discharge its duties effectively
- Each member of the Board of Directors undertakes a formal annual evaluation of his/her own performance.
- Upon acceptance of a position on the Board of Directors, each member assumes the obligations and duties relating to his/her role
- As per the by-laws of the Company, meetings of the

Transparency and objectivity in the disclosure of information relating to the Company's activities

Board of directors shall be called and held at such time and at such place as the board, the President or any two directors may determine, and the secretary or any other officer shall give notice of meetings when directed or authorized by such persons. Notice of each meeting of the Board of Directors shall be given not less than forty-eight hours before the time when the meeting is to be held unless waived in accordance with the Act

- Provided that a quorum of directors is present, each newly elected board may, without notice, hold its first meeting following the meeting of shareholders at which such board was elected
- The Company has established a Board of Directors, of whom 2 are independent non-executive directors. One of the roles and responsibilities of the Board of Directors is to monitor the integrity of the financial statements of the Company and any formal announcements relating to the company's financial performance, to review the company's internal financial controls and risk management system and to monitor and review the effectiveness of the company's internal audit function. The board of directors will also make recommendations to the Executive Body regarding the appointment, re-appointment and removal of the external auditor, which are then put to the shareholders for their approval at a general meeting
- The Company will provide all shareholders with a copy of its Financial Statements at the end of every 12 month period
- The Company will publish results via its website and any other chosen means, as and when it deems that this information is necessary and important to shareholders
- All shareholders have access to the contact details of the Company's head office and are free to communicate with the Executive Body and the Board of Directors as they feel it is necessary. However, the Company follows a strict policy of non-disclosure of internal, confidential information and will only disclose information to one shareholder that is available to all shareholders
- The Company is subject to and acts in accordance with the laws of Alberta, Canada
- All internal Company documents are produced in line with the laws of Alberta
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- Any dividends owed by the Company shall be paid by cheque to the order of the registered holder of the shares
- In the event of non-receipt of any dividend cheque, the Company shall issue a replacement cheque for the same amount upon receipt of evidence of non-receipt of the cheque. No dividend shall bear interest against the Company
- Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company
- The Company's health, safety and environment policies and emergency response plan and procedures are reviewed annually by the Board of Directors
- It is the role of the Board of Directors to assess whether the Company's health, safety and environment policies are being effectively implemented, comply with the

Legitimacy and ethics

Policy regarding dividends

Environmental protection

- applicable legislation and conform with industry standards
- The monthly report distributed to the Executive Body and the Board of Directors contains a Health, Safety and Environment section, which details any updates or incidents that have occurred during that month. It is the responsibility of the Executive Body to follow-up on any Environmental incidents that are highlighted in this report
 - Each member of the Board of Directors is subject to an annual evaluation and must prove when questioned that they have always acted in the interests of the company and the Shareholders
- Regulation of corporate conflict

Chapter 2. GENERAL MEETING OF SHAREHOLDERS

The organization and procedure of holding of the General Meeting of Shareholders meets the following requirements:

1 The organization of holding of the General Meeting of Shareholders

All meetings of the shareholders of the Company should be held in Alberta unless all of the shareholders entitled to vote at that meeting agree otherwise.

A shareholder or any other person entitled to attend a meeting of shareholders may participate in the meeting by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear or otherwise communicate with each other.

A period of notice of a minimum of 21 days and a maximum of 50 days will be given to all shareholders in advance of the General Meeting. This period is deemed sufficient to enable the Shareholder to study any materials for the forthcoming Meeting, to prepare any issues and to develop his/her own position on all issues of the agenda.

A registered holder of shares entitled to vote at a general meeting of the shareholders may submit to the Company notice of any matter related to the business of affairs of the Company that the holder of shares proposes to raise at the meeting. He/she is also entitled to submit a request for the agenda of the meeting to be amended, provided that there is deemed sufficient grounds for this to be amended.

The list of the shareholders who are entitled to participate in the General Meeting of Shareholders is composed by the Company's registrar on the basis of the data contained in the register of shareholders of the Company with mandatory disclosure of share owners by respective nominal shareholders.

All information and materials required for the General Meeting of Shareholders will be submitted to the shareholders a minimum of 15 days before holding the General Meeting, either in electronic format or by regular post. This information will include an agenda for items to be discussed, resolutions to be adopted and any documentation related thereto.

In addition to the above-mentioned documentation, shareholders will be provided with additional information regarding the specific achievements or problems of the Company, as well as any major changes proposed.

In the case that some or all members of the board of directors are to be elected or re-elected at the General meeting of the shareholders, shareholders will be provided with a biography of each member in advance of the meeting.

Voting at the General Meeting is by a show of hands. Shareholders are also entitled to vote by proxy or by telephone.

2 Holding of the General Meeting

Shareholders may vote either in person by a show of hands or by proxy (on the basis of a power of attorney issued by the shareholder to a third party or representative of nominal holder). Each vote, whether in person or by proxy, will be considered to have equal value.

The General Meeting of the shareholders is an important meeting for the Company and will be attended by each member of the board of directors and the Executive Body. In the case of non-attendance of any of these people, a replacement attendee will be chosen.

Shareholders may register their attendance at the meeting throughout the meeting, not just before its commencement.

It is the responsibility of the Chairman of the meeting, normally the President of the Board of Directors, to organize the responses to any shareholder questions posed in the course of the meeting. If these questions cannot be answered immediately, the Chairman will arrange for a response to be sent in writing to the relevant shareholder within 2 weeks of the meeting.

The procedure of voting and counting of votes should be the simplest and most transparent one, and the shareholders should be evidenced in exclusion of a possibility of any wrong results of voting.

The date and time of the General Meeting of Shareholders are arranged to enable the participation of the maximum number of shareholders possible. When possible, the General meeting will be held at the place of work of the Executive Body.

Chapter 3. BOARD OF DIRECTORS

1. The functions of the Board of Directors

The Board of Directors is responsible for ensuring that the Company acts in the best interests of the shareholders at all times.

The role of the Board of Directors is to set the company's strategic aims, values and standards and ensure that it understands and meets its obligations to its shareholders and others. The Board meets sufficiently regularly to ensure it can discharge its duties effectively.

One of the roles and responsibilities of the Board of Directors is to monitor the integrity of the financial statements of the Company and any formal announcements relating to the company's financial performance, to review the company's internal financial controls and risk management system and to monitor and review the effectiveness of the company's internal audit function. The board of directors will also make recommendations to the Executive Body regarding the appointment, re-appointment and removal of the external auditor, which are then put to the shareholders for their approval at a general meeting

The functions of the Board of Directors also include:

- The approval of significant and important transactions;
- Preliminary approval of the annual report of the Company;
- The determination of the remuneration of the Executive Body. This should be based on the level of qualifications and the contribution of each member and the financial results of the Company;
- The development of an effective system of selection and appointment of the members of the Executive Body;
- The development and approval of the Corporate Secretary role and activities.

2. Forming of the Board of Directors

The election of members of the Board of Directors is done prior to the General meeting of

shareholders. A biography of each proposed new member of the board of directors is sent to all shareholders prior to the general meeting and the member is then proposed and elected at the general meeting. A new member of the board can be elected by the Board of Directors prior to the general meeting and can begin working with the Company in advance of the meeting, however their appointment must be voted on at the subsequent general meeting.

All directors are subject to re-election by shareholders every **2** years.

According to the by-laws of the Company, the Board consists of a minimum of one and a maximum of nine directors.

Each member of the Board of Directors should have confidence of the majority of the shareholders of the Company, and should have a positive reputation in their respective industries.

The Board of Directors should include independent directors, whose number should not exceed the limit provided by the legislation.

3. Organization of activities of the Board of Directors

The activities of the Board of Directors are carried out on the principles of reasonability, efficiency, conscientiousness, honesty, responsibility, and punctuality.

Upon acceptance of a position on the Board of Directors, each member assumes the obligations and duties relating to his/her role.

As per the by-laws of the Company, meetings of the Board of directors shall be called and held at such time and at such place as the board, the President or any two directors may determine, and the secretary or any other officer shall give notice of meetings when directed or authorized by such persons. Notice of each meeting of the Board of Directors shall be given not less than forty-eight hours before the time when the meeting is to be held unless waived in accordance with the Act.

Meetings of the Board of Directors can take place either in person or by telephone. For meetings where key strategic decisions are to be made or important aspects of the Company's business are to be discussed, it is preferable that these meetings be held in person. It is also possible for a board meeting to be held partly in person and partly by telephone.

The Board of Directors has the right to request the presence of all or some members of the Executive Body at a board meeting, provided that sufficient notice is given.

The Board of Directors is entitled to convene the following committees, should it feel that these are required:

- Strategic planning committee;
- Internal audit committee;
- Corporate conflict resolution committee;
- Ethical committee.

4. Evaluation of activities of the Board of Directors

Each member of the Board of Directors is subject to an annual evaluation and must prove when questioned that they have always acted in the interests of the company and the Shareholders.

Chapter 4. EXECUTIVE BODY

4. Functions of the Executive Body

The Company is managed by the Executive Body, which comprises The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operational Officer (COO), the Country Manager and the Chief Engineer. The Executive Body ensures the running of the company on a day-to-day basis.

Upon appointment, each member of the Executive Body will sign a contract detailing his/her specific responsibilities and duties towards the Company and the Shareholders.

The Executive Body reports and is fully accountable to the Board of Directors.

The main responsibilities of the Executive Body are:

- The running of the Company on a day-to-day basis;
- Determining and approving the system and rules of functioning of the Company;
- The motivation and discipline of all employees.

The Executive Body takes all measures necessary to ensure the protection of internal, confidential information regarding the Company.

The Executive Body is responsible for ensuring that the Company complies to all legislative requirements, including labor and labor protection legislation, safety rules, etc.

5. Forming of the Executive Body

The members of the Executive Body are chosen, interviewed and employed by the Board of Directors.

Candidates for positions in the Executive Body should have positive reputations and have the confidence of the majority of the members of the Board of Directors.

The selection and appointment of members of the Executive Body are carried out in a transparent and clear manner.

Chapter 5. CORPORATE SECRETARY

The Corporate Secretary plays a special role to ensure the observance of the correct procedure of preparation and holding of the General Meeting of Shareholders, activities of the Board of Directors, storage, disclosure and the submission of information regarding the Company.

The Corporate Secretary is responsible for the corporate policy and corporate processes in the Company. In the case of a conflict arising between the shareholders and the Board of Directors, it is the role of the Corporate Secretary to resolve such a conflict.

It is the role of the Corporate Secretary to duly consider all requests of the shareholders and to attempt to resolve any conflicts relating to breaches of the shareholders' rights by either the Executive Body of the Board of Directors of the Company.

The status, functions and responsibilities of the Corporate Secretary are determined by the internal provisions of the Company.

The Corporate Secretary is appointed by the Board of Directors.

Chapter 6. DISCLOSURE OF INFORMATION

The disclosure of information is aimed at creating a favorable image of the Company, thereby facilitating the attraction of capital, maintenance of trust, and growth in production and financial indices.

It is important that the disclosure of information should ensure maximum accessibility of information about the Company, whilst ensuring the full protection of internal, confidential information of the Company.

1. Disclosure of information

The Company provides easy access to public information about the Company, through its corporate website and various news reports. The Company's audited annual financial statements are also provided for public viewing.

2. Protection of internal information

The Company is careful only to provide general, non-sensitive and non-confidential information regarding its activities to the public.

The Board of Directors has the overall responsibility of ensuring that all confidential information is kept within the Company.

Chapter 7. CONTROL OVER FINANCIAL AND ECONOMIC ACTIVITIES

1. System of control of financial and economic activities of the Company

It is the responsibility of the Executive Body and the Board of Directors to monitor the internal systems of financial and economic control that are in place in the Company.

The Company will provide all shareholders with a copy of its Financial Statements at the end of every 12 month period

2. Internal audit service

The Company adheres to IFRS accounting standards. It is the responsibility of the Chief Financial Officer to ensure that the Company's internal audit procedures are followed.

The Board of Directors of the Company has approved the Company's internal audit procedures and is responsible, with the help of the Chief Financial Officer, for ensuring that these are being followed.

3. External audit

The main objective of this audit is the verification of the financial reports of the Company and the production of an independent opinion on the reliability and objectivity of the Company's financial reporting.

Chapter 8. DIVIDEND POLICY

1. Dividend payments

Any dividends owed by the Company shall be paid by cheque to the order of the registered holder of the shares

In the event of non-receipt of any dividend cheque, the Company shall issue a replacement cheque for the same amount upon receipt of evidence of non-receipt of the cheque. No dividend shall bear interest against the Company

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company

Chapter 11. ENVIRONMENTAL PROTECTION

The importance of environmental protection issues in industry is growing continually, and the Company ensures that it considers the environmental impact of all its activities.

In its activities, the Company follows the principles of maximum careful and reasonable attitude to the environment.

The Company's health, safety and environment policies and emergency response plan and procedures are reviewed annually by the Board of Directors.

It is the role of the Board of Directors to assess whether the Company's health, safety and environment policies are being effectively implemented, comply with the applicable legislation and conform with industry standards.

The monthly report distributed to the Executive Body and the Board of Directors contains a Health, Safety and Environment section, which details and updates or incidents that have occurred during that month. It is the responsibility of the Executive Body to follow-up on any Environmental incidents that are highlighted in this report.

Chapter 12. CORPORATE GOVERNANCE CONFLICTS

Each member of the Board of Directors is subject to an annual evaluation and must prove when questioned that they have always acted in the interests of the company and the Shareholders.

The Company develops and observes mechanisms of legal and reasonable resolution of corporate conflicts used for the maximum meeting the interests of the Company and the shareholders.

If any corporate conflicts arise, the participants should search for ways of their resolution by negotiations to provide the effective protection of both the rights of the shareholder, and the business reputation of the Company.

If it is impossible to resolve the corporate conflicts by negotiations, they should be resolved strictly in accordance with the legislation.

If any corporate conflicts arise between individual shareholders, the Company should actively participate in their resolution. In this case, the Executive Body of the Company will actively assist to resolve such conflict situations.

The Corporate Secretary is responsible for the corporate policy and corporate processes in the Company. In the case of a conflict arising between the shareholders and the Board of Directors, it is the role of the Corporate Secretary to resolve such a conflict.

It is the role of the Corporate Secretary to duly consider all requests of the shareholders and to attempt to resolve any conflicts relating to breaches of the shareholders' rights by either the Executive Body of the Board of Directors of the Company.

If it is deemed necessary in the circumstances, the Board of Directors may establish a special committee, involving its members, to resolve the corporate conflicts.

The Board of Directors or the corporate conflict resolution committee it has established should consider individual corporate conflicts referred to the powers of the Head of the Executive Body of the Company (for example, if the issue of conflict is activities (inactivity) of this body, or acts it has adopted).

The procedure of establishment and work of the corporate conflict resolution committee is determined by the Board of Directors.