

PREMIUM EXPLORATION INC.
(the "Company")

CODE OF CONDUCT

I. INTRODUCTION

The board of directors of the Company (the "Board") has adopted this Code of Conduct to provide principles for the purpose of promoting the following:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Canadian Securities Administrators (the "CSA") and in other public communications;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the Code of Conduct; and
- accountability for adherence to the Code of Conduct.

The Code of Conduct governs all of the employees, directors and officers, including the Chief Executive Officer, Chief Financial Officer and other senior financial officers performing similar functions. In the Code of Conduct, these individuals are referred to as "you".

II. PRINCIPLES

1. You shall act with honesty and integrity in the performance of your duties, shall comply with all laws, rules and regulations of federal, provincial, state and local governments and other private and public regulatory agencies that affect the conduct of the business and the financial and other reporting of the Company.
2. You are responsible for full, fair, accurate, timely and understandable disclosure in the reports and documents that the Company files with, or submits to, the CSA and in the Company's other public communications. Accordingly, each of you is responsible for promptly bringing to the attention of the lead director (the "Lead Director") any material information of which you may become aware that affects the disclosure in the public filings of the Company.
3. You shall promptly bring to the attention of the Lead Director any information you may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to the Company and the operation of the Company's business or any violation of this Code of Conduct. You may also use the complaint procedures that have been established by the audit committee of the Company (the "Audit Committee"). In either event, any reporting is confidential and you are protected from retaliation.

4. You shall promptly bring to the attention of the Lead Director any information you may have concerning:
 - (a) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data; or
 - (b) any fraud, whether or not material, that involves management or other employees, including those who have a significant role in the Company's financial reporting, disclosures or internal controls.
5. You must avoid any personal activity or association that could appear to influence your judgment or affect the Company's best interest. You shall promptly bring to the attention of the Lead Director any information you may have concerning any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees, including those who have a significant role in the Company's financial reporting, disclosures or internal controls.

III. REPORTING VIOLATIONS

If you observe or become aware of an actual or potential violation of this Code of Conduct or of any law or regulation, it is your responsibility to report the circumstances of the actual or potential violation as provided below. You are also required to cooperate in the investigation by the Company of the actual or potential violation of this Code of Conduct or of any law or regulation. Any employee who in good faith raises an issue regarding a possible violation of law or regulation or this Code of Conduct will not be subject to retaliation, and his or her confidentiality will be protected to the extent possible, consistent with law, corporate policy and the requirements necessary to conduct an effective investigation.

To report an actual or potential violation of this Code of Conduct, you should contact the Lead Director either in person or in writing, at the following address:

Name of Lead Director: Salvador Huerta

Telephone Number: (604) 331-9333

Personal Email Address: shuerta@aurcana.com

The Lead Director will forward the report to the Chairperson of the Audit Committee and retain a copy of the report until the report is addressed at a meeting of the Board or until such time as the Chairperson of the Audit Committee confirms that the Board has satisfactorily addressed the report of the actual or potential violation of this Code of Conduct or of any law or regulation.

If you are not satisfied with the Lead Director's response or require an alternative means of reporting a violation, you may also report an actual or potential violation of this Code of Conduct directly to the Chairperson of the Audit Committee by:

1. sealing the report in an envelope marked:

Confidential – Code of Conduct Violation
Chairperson of the Audit Committee
Premium Exploration Inc.

2. forwarding the sealed envelope in a further sealed envelope marked and addressed as follows:

Salvador Huerta
Suite 1515, 1188 West Georgia Street, Vancouver, BC V6E 4A2

IV. VIOLATIONS AND WAIVERS

The Lead Director shall advise the Board in writing of all violations of this Code of Conduct reported to him. The Chairperson of the Audit Committee shall also advise the Board of all violations of this Code of Conduct reported to him in confidence and take, to the extent possible, necessary precautions to maintain the confidentiality of the report.

The Board shall determine, with or without the advice of others, appropriate actions to be taken in the event there is a violation of this Code of Conduct. These actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to this Code of Conduct and may include actions ranging from:

1. written notices to the individual involved that the Board has determined that there has been a violation to; and
2. termination of the individual's employment.

In determining what action is appropriate in a particular case, the Board will take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intention or inadvertent, whether the individual in question has been advised prior to the violation as to the proper course of action and whether or not the individual in question has committed other violations in the past.

No waivers of any provision of this Code of Conduct may be made, except by the Board. Only the Board may amend this Code of Conduct. Any waiver or amendment shall be reported as required by law or regulation.