



FIRST METALS, INC.

CODE OF BUSINESS CONDUCT

This policy was adopted by the Board of Directors of First Metals Inc.

Introduction

First Metals Inc. (the “**Company**”) expects honest, professional and ethical conduct from its directors, officers and employees. This Code outlines the general standards of conduct expected in business practices undertaken by or on behalf of the Company. The Company has also adopted specific compliance policies and procedures which directors, officers and employees are subject to and are required to comply with.

Avoidance of Conflicts of Interest

A “conflict of interest” arises when a director, officer or employee takes actions or has personal interests that conflict in any way with the interests of the Company. These conflicts may make it difficult for the director, officer or employee to perform his or her work objectively and effectively. Conflicts of interest also arise when a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position with the Company.

Directors, officers and employees should take care to avoid any conflicts of interest or the appearance of impropriety and should disclose to their supervisors or, in the case of directors and executive officers, to the Governance and Compensation Committee any activities that reasonable could be expected to give rise to a conflict of interest.

Activities that may give rise to potential conflicts of interest include investment or business relationships that conflict with the interests of the Corporation, payments, gifts or entertainment by or to a director, officer or employee in conjunction with business (other than normal business practices) or loans or guarantees of obligations of a director, officer or employee or his or her family members or business or other associates of the Company.

Such activities are prohibited unless approved in guidelines established by the Board of Directors or a committee of the Board of Directors or specifically approved by the Board of Directors or the appropriate committee of the Board of Directors.

Protection of Confidential Information

Directors, officers and employees shall maintain the confidentiality of all confidential information received by them in connection with the business of the Company, except when disclosure is authorized or legally mandated. They will not use confidential information for their own advantage or profit. Confidential information includes all non-public information that might prejudice the ability of the Company to pursue certain



FIRST METALS, INC.

objectives, be of use to the competitors or harmful to the Company, its suppliers or its customers, if disclosed. All directors, officers and employees are subject to the provisions of the Company's Disclosure Policy.

Promotion of Fair Dealing

The Company is committed to the concept of fair dealing. Each director, officer and employee should deal fairly with the Company's suppliers, customers, employees and competitors. No one should take unfair advantage of another by manipulation, concealing information, misrepresentation or other similar practice.

Public Disclosure and Reporting Requirements

The Company files with or submits to the Canadian Securities regulators and the Toronto Stock Exchange financial statements, reports and other public disclosure documents. Senior management have the general responsibility for preparing such filings and such other communications and shall ensure that such filings and communications comply with the law and other regulatory requirements. Directors, officers and employees of the Company should provide all necessary information to management when requested and must inform management if they become aware that information in any such filing or communication was untrue or misleading at the time such filing or communication was made or if they have information that would affect any such filings or communications to be made in the future.

Maintaining Accuracy of Accounting Records

The Company's accounting records are relied upon to produce reports for management, shareholders, creditors, governmental agencies and others. The financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and the Company's systems of internal controls. All directors, officers and employees have a responsibility to ensure that the Company's accounting records do not contain any false or intentionally misleading entries.

If any director, officer or employee has any concerns or complaints regarding accounting, internal control or auditing matters of the Company, such concerns may be anonymously submitted to the Chair of the Audit Committee. The Audit Committee will, subject to any duties arising under the law or the requirements of any court, stock exchange or securities regulatory authority, treat such submissions confidentially. Alternatively, any concerns or complaints may be submitted anonymously pursuant to the Company's Whistleblower Policy.



FIRST METALS, INC.

Protection of Company Opportunities

Employees, officers and directors may not (a) take for themselves personally opportunities that are discovered through the use of corporate property, information, or position; (b) use corporate property, information or position for personal gain; or (c) compete with the Company. Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Protection and Proper Use of the Corporation's Assets

All directors, officers, and employees should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste may have an impact on the Company's profitability, thereby jeopardizing its financial well-being. All assets should be used for legitimate business purposes.

Compliance with Laws

All directors, officers or employees shall comply fully with all laws affecting the business of the Company, including, without limitation, all laws prohibiting insider trading, money laundering, bribery, improper payments and anti-competitive activities. The consequences to the Company and its directors, officers and employees of any departure from this policy can be very serious. If a criminal violation has occurred, the Company will take appropriate steps to stop the criminal conduct and to prevent such conduct from reoccurring.

Prohibition Against Insider Trading

Directors, officers and employees must not trade in any security of the Company when they are in possession of undisclosed material information regarding the Company. Each director, officer or employee also has a legal duty not to communicate such information to anyone outside the Company. All directors, officers and employees are subject to the provisions of the Company's Insider Trading Policy.

Compliance with Environmental and Health and Safety Laws

1. The Company is committed to compliance with all applicable federal and provincial environmental and health and safety laws and regulations. If any director, officer or employee has any doubt as to the applicability or meaning of a particular environmental, health or safety law or regulation, he or she should discuss the matter with the appropriate officer.
2. The Company is committed to occupational health and safety through maintaining a safe workplace. Health and safety policies and practices have been established by the Company in this respect. All accidents, injuries, unsafe equipment,



FIRST METALS, INC.

practices or conditions should be reported immediately to a supervisor or other designated person.

Discrimination and Harassment

The Company is committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct by any officer or employee is unacceptable, whether verbal, physical or visual. Officers and employees should immediately report any potential incidents of harassment to the appropriate officer when it occurs. Such information may also be submitted anonymously in accordance with the Company's Whistleblower Policy.

Violations of the Code

Each director, officer and employee is expected and encouraged to report what he or she believes in good faith are violations of this Code, whether accidental or deliberate, by any director, officer or employee. If a director, officer or employee becomes aware of any conflict, relationship, payment or other action, involving himself or others, which could conflict with this Code, it is their obligation to disclose the matter fully and in writing to their supervisors or in the case of a director to the Chair of the Company's Corporate Governance and Nomination Committee. Alternatively, the matter may be disclosed anonymously pursuant to the Company's Whistleblower Policy. Reports of possible violations will be acted upon promptly and in a manner consistent with the circumstances.

Waiver

This Code may be amended, modified or waived by the Board of Directors or the Corporate Governance and Nominating Committee of the Board of Directors. Any waiver must be disclosed as required by law or the TSX Corporate Governance Guidelines.

Questions and concerns regarding this Code should be addressed to the Chief Executive Officer or the Chairman of the Board of Directors.