

BALKAN RESOURCES INC

ENVIRONMENTAL POLICY

Balkan Resources Inc, through its directors, officers, management and employees, is committed to operating its mineral properties as a responsible developer and producer of quality mineral products. This commitment requires balancing good stewardship in the protection of the environment with the need for economic well being and growth of the company. In this context, the company will ensure that decisions and activities at all operations and projects are designed and developed with environmental conscience, combined with a sense of the needs of the local community.

In operating within these parameters, it will be our policy:

- To measure, evaluate, maintain, and improve Balkan's compliance with environmental laws and regulations;*
- To regularly inform and update employees, agencies, and the public about activities and environmental performance;*
- To place a high priority on environmental considerations in planning, exploration, constructing, operating and closing facilities, as well as in evaluating new business opportunities;*
- To incorporate a sense of community needs and involvement with the development and operating of projects;*
- To place primary responsibility for compliance with environmental laws, regulations and this policy with operations management;*
- In the absence of regulations, to recognize and cost-effectively manage environmental risks in a manner that protects both the environment and our economic future;*
- To actively promote employee and community involvement in implementing this environmental policy throughout the company;*
- To promote and encourage employee recognition and reporting of suspected environmental issues to management in order to prevent environmental problems, and ;*
- To recognize achievement in effective implementation of this policy as a dimension of employee performance.*

On Behalf of the Board of Directors

Claude Schimper
Chief Operating Officer/Director