



SILVER DRAGON RESOURCES INC.

FINANCIAL MANAGEMENT CODE OF CONDUCT POLICY

This Financial Management and Code of Conduct Policy covers ethical and disclosure obligations for all officers, senior management and financial or accounting personnel with financial reporting or disclosure responsibilities.

Silver Dragon Resources Inc. is committed to maintaining high ethical standards related to our financial reporting processes and internal controls. As a public company, it is of critical importance that all filings by Silver Dragon Resources Inc. comply with all applicable securities regulatory agencies and self-regulatory bodies and any other public communications be accurate, complete and timely. As a result, Silver Dragon Resources expects all employees involved in the financial reporting and disclosure processes to take this responsibility very seriously and this commitment must be supported by the highest level of ethical standards. This Financial Management Code of Conduct Policy embodies these principles.

All officers, senior management and financial or accounting personnel with financial reporting or disclosure responsibilities within Silver Dragon Resources and its subsidiaries have a special role both in meeting these responsibilities and also in promoting a culture throughout the company that ensures the accurate, complete, fair and timely reporting of Silver Dragon Resources' financial results and condition.

Employees bound by this Code include:

- Chief Executive Officer
- Chief Financial Officer
- Corporate Controller
- Other senior financial and accounting personnel with financial reporting or disclosure responsibilities as may be designated by the CEO or CFO of Silver Dragon Resources

Each such person receiving this document agrees that he or she will:

- Act with honesty and integrity, avoiding any actual or apparent conflicts of interest.
- Proactively promote the highest principles of honesty and integrity and be an example of ethical behavior as a responsible employee within Silver Dragon Resources Inc.
- Provide full, fair, accurate, timely and understandable financial information and disclosures in all reports and documents that the Company files with, or submits to, government and regulatory agencies, self-regulatory bodies and stock exchanges and in all other public communications.
- Comply with all rules and regulations of federal, state, provincial and local governments and applicable public and private regulatory agencies or bodies and act as appropriate based upon one's position with Silver Dragon Resources Inc. to assure that the Company complies with all such rules and regulations.
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting any material facts relating to Silver Dragon Resources Inc. or allowing one's independent judgment to be subordinated or compromised.
- Respect the confidentiality of information acquired in the course of work duties and responsibilities with the company, except when authorized or otherwise legally obligated to disclose such information. Confidential information acquired in the course of one's work duties and responsibilities will not be used for personal advantage.
- Share knowledge and maintain professional skills important and relevant to the needs of one's work duties and responsibilities and to fellow employees.
- Protect the Company's assets and resources and help ensure that they are used only for the Company's legitimate business purposes.
- Promptly report to the CFO, the CEO, and/or the Chair of the Audit Committee of Silver Dragon Resources Inc. any fraudulent, other improper activity or non-compliance with this Code committed by any person employed by Silver Dragon Resources Inc. or any of its subsidiary companies, including, but not limited to, one's immediate manager, any member of senior management, or anyone who has any significant responsibility over internal financial reporting controls of Silver Dragon Resources Inc. or its subsidiary companies



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Certification

The undersigned hereby certifies that he/she has received, read, understands, and agrees to comply with, Silver Dragon Resources Inc. Financial Management Code of Conduct Policy, a copy of which was distributed with this Certification.

Date: _____ Signature _____

Name: _____

(Please print)