

# GRADIENT RESOURCES HEALTH, SAFETY, QUALITY AND ENVIRONMENTAL POLICY

The continuing success of Gradient Resources Inc. and its subsidiaries and affiliates (Gradient) depends on our ability to improve the quality of our operations while protecting people and the environment. This commitment is in the best interests of our employees, shareholders and others who may be affected by our activities.

It is the policy of Gradient to provide its customers with the quality of service that satisfies their requirements in every respect. Gradient believes that by achieving efficiency and economy in its own operations, it contributes to the success of its operations and the satisfaction of its clients.

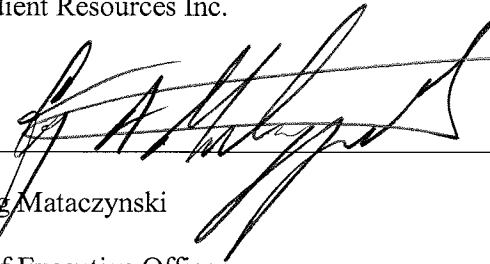
Gradient requires the active commitment, and accountability, for health, safety, quality and the environment (HSQE) from all employees. Management has a defined role in the communication and implementation of, and ensuring compliance with, HSQE policies and standards. We are committed to:

- Protecting the health, safety and security of our people, and others who may be affected by our activities, at all times;
- Having documented policies on the management of our activities and striving for continual improvement;
- Minimizing our impact on the Environment and undertaking our activities in compliance with all relevant legislation;
- Identifying and eliminating all Health, Safety, Quality and Environmental non-conformances and amending our management systems to address those non-conformances;
- Ensuring that where accidents occur, investigations are undertaken to identify root causes and that steps are taken to prevent repetition; and
- Setting HSQE performance objectives, measuring results, assessing and continually improving our processes through the use of effective management systems.

Gradient achieves these goals by auditing and reviewing the documented policies that address all aspects of the Company's activities. Neil Liddle, as the Vice President of HSQE, is charged with ensuring that this policy is implemented and on reporting to me on its effectiveness.

Signed

Gradient Resources Inc.



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Date 14 SEPTEMBER, 2011

Craig Mataczynski

Chief Executive Officer