

**AQUILA RESOURCES INC.**  
**(the “Corporation”)**

**WHISTLEBLOWER POLICY**

**November 12, 2015**

Aquila Resources Inc. is committed to maintaining the highest standards of business conduct and ethics as well as full compliance with all applicable government laws and reporting and disclosure requirements, accounting practices, accounting controls, auditing practices and other matters relating to fraud against shareholders (collectively “**Whistleblower Matters**”).

**I. PURPOSE**

The purpose of this policy is to establish procedures for (a) the receipt, retention, and treatment of complaints received by Aquila Resources Inc. (the “**Corporation**”) regarding Whistleblower Matters; and (b) the submission by employees of the Corporation or third parties, on a confidential and anonymous basis, of concerns regarding Whistleblower Matters.

For the purposes of this policy, “**Whistleblower Matters**” is intended to be broad and comprehensive and to include any matter, which in the view of the complainant, is illegal, unethical, contrary to Aquila’s policies or in some other manner not right or proper. Examples would include:

- violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure;
- violations of Aquila’s Code of Business Ethics;
- any practices of a questionable nature (such as fraud or deliberate error) that may result in a financial loss to Aquila or that may affect the accuracy and reliability of any financial statements of Aquila;
- fraud or deliberate error in the recording and maintaining of financial records of Aquila;
- deficiencies in or non-compliance with Aquila’s internal policies and controls;
- misrepresentation or a false statement by or to a director, officer or employee of Aquila respecting a matter contained in the financial records, reports or audit reports;
- deviation from full and fair reporting of Aquila’s consolidated financial condition or results;
- matters relating to safety, health and the environment; and
- activities which otherwise amount to serious improper conduct.

The purpose of this policy is also to state clearly and unequivocally that the Corporation prohibits discrimination, harassment and/or retaliation against any employee, director or officer who reports complaints or concerns to the audit committee of the directors of the Corporation (the “**Audit Committee**”) regarding Accounting Issues or provides information or otherwise assists in an investigation or proceeding with respect thereto. Everyone at the Corporation is responsible for ensuring that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by this policy. No employee, director or officer of the Corporation has the authority to engage in any conduct prohibited by this policy.

This policy protects any employee, director or officer who in good faith submits any complaint or concern under this policy, regarding Accounting Issues in accordance with the procedures set out above (a “Complainant”).

If an employee, director or officer legitimately and in good faith engages in any of the activities listed above, the Corporation will not discharge, demote, suspend, threaten, harass or otherwise discriminate or retaliate against him or her in the terms or conditions of employment because of that activity. However, since such allegation of impropriety may result in serious personal repercussions for the target person or entity, the employee, director or officer making the allegation of impropriety should have reasonable and probable grounds before reporting such impropriety and should undertake such reporting in good faith, for the best interests of the Corporation and not for personal gain or motivation.

## **II. AUDIT COMMITTEE PROCEDURES**

The Audit Committee has adopted the following procedures:

1. Management of the Corporation shall promptly forward to the Audit Committee any complaints that it has received regarding Accounting Issues.
2. Reports are encouraged to be made in writing so as to assure a clear understanding of the issues raised but may be made orally. Reports should be factual in nature and contain as much specific information as possible to allow for proper assessment and investigation of allegations reported.
3. Any Complainant may submit, on a confidential, anonymous basis, if they so desire, any concerns regarding Accounting Issues. Concerns to be filed under this Policy may be submitted in confidence to the Complainant’s immediate supervisor or may also be reported confidentially and anonymously, if preferred, to the Chairman of the Audit Committee as follows:

In Writing:      Chairman of the Audit Committee  
                         Aquila Resources Inc.  
                         #502-141 Adelaide Street West  
                         Toronto, ON M5H 3L5

By E-mail:      AuditChair@aquilaresources.com

If a Complainant would like to discuss any matter with the Audit Committee or Audit Committee Chair, the Complainant should indicate this in the submission and include a telephone number at which he or she might be contacted.

4. Following the receipt of any complaints or concerns submitted hereunder, the Audit Committee will investigate each matter so reported and take corrective and disciplinary actions, if appropriate, which may include, alone or in combination, a warning or letter of reprimand, demotion, loss of merit increase, bonus or stock options, suspension without pay or termination of employment.
5. The Audit Committee may enlist employees of the Corporation and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of complaints or concerns regarding Accounting Issues. In making this determination, the Audit Committee will consider, among other factors

that are appropriate under the circumstances, who is the alleged wrongdoer, how serious is the alleged wrongdoing and how credible is the allegation of the wrongdoing. In conducting any investigation, the Audit Committee shall use reasonable efforts to protect the confidentiality and anonymity of the Complainant.

6. The Audit Committee shall retain as a part of the records of the Audit Committee any such complaints or concerns for a period of no less than seven (7) years.

### **III. COMMUNICATION OF THE POLICY**

Copies of this Policy are to be made available to directors, officers, employees and consultants, either directly or by referral to the posting of the Policy on Aquila's website at [www.aquilaresources.com](http://www.aquilaresources.com). All directors, officers and employees will be informed whenever significant changes are made.

Approved, November 2015