

AQUILA RESOURCES INC.
(the “Corporation”)

ANTI-BRIBERY ANTI-CORRUPTION POLICY

January 15, 2019

Aquila Resources Inc., its subsidiaries and affiliate companies (collectively, the “Corporation”) is committed to conducting business transparently, honestly and with integrity. Therefore, it is important that the Corporation complies with and conducts its business in accordance with applicable anti-bribery and anti-corruption laws (“ABC Laws”). This policy should be read in conjunction with the Corporation’s Code of Business Conduct and Ethics.

I. POLICY STATEMENT

The purpose of this policy is to:

- set out the Corporation’s responsibilities, and the responsibilities of those working for or with the Corporation in observing and upholding the Corporation’s position on bribery and corruption;
- ensure that the Corporation has adequate procedures in place to prevent and detect bribery and corruption;
- provide information and guidance to those working for or with the Corporation on how to recognize and deal with potential bribery and corruption issues; and
- protect the Corporation against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.

The Corporation will abide by the *Corruption of Foreign Public Officials Act* (Canada) (“CFPOA”) and laws countering bribery and corruption in all of the jurisdictions in which the Corporation operates or conducts its business. This includes, and is not confined to, those countries where the Corporation has offices.

It is important to remember that even if the country in which an act of bribery takes place does not have anti-bribery laws which capture the relevant action, the CFPOA and the laws of another country in which the Corporation operates or conducts its business may still apply. Although penalties may differ across the different jurisdictions in which the Corporation operates, bribery (or even the perception or an allegation of it):

- will damage the Corporation’s reputation; and/or
- could cost the Corporation significant amounts of money both in respect of potential fines and the time spent in dealing with such issues and may lead to serious penalties on individual members of the Corporation including imprisonment and fines, or even the forfeiture of critical exploration or operating licenses and permits.

The Corporation is committed to:

- upholding ABC Laws that apply to the Corporation, including without limitation, CFPOA;
- not offering bribes or condoning the offering of bribes on the Corporation’s behalf;
- not accepting bribes, or agreeing to them being accepted on the Corporation’s behalf;
- maintaining accurate books and records;
- making sure that the Corporation’s Employees are aware of and abide by the Corporation’s values and policies;
- avoiding doing business with or affiliating the Corporation with others who do not accept the Corporation’s values and policies and who may harm the Corporation’s reputation; and

- ongoing monitoring of and auditing compliance with these principles.

II. SCOPE OF APPLICATION

This policy applies to the directors, officers, employees (whether permanent, fixed-term or temporary), technical and other consultants, agents or any other person associated with or acting on behalf of the Corporation, wherever located (collectively referred to as “**Employees**” in this policy).

III. RESPONSIBILITY

Management is ultimately responsible for this policy and the Board of Directors, through its delegation to the Nomination, Compensation and Governance Committee is responsible for ensuring this policy complies with the Corporation’s legal and ethical obligations and for supervising the Corporate Compliance Officer (“CCO”) on the administration of this policy.

The Corporation shall appoint a CCO who is primarily responsible for implementing this policy and may establish a management Compliance Committee to assist and support the CCO. The Chief Financial Officer is designated as the CCO until further notice.

The CCO has responsibility for monitoring the use and effectiveness of this policy and dealing with any queries on its interpretation. The members of the management team at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it. The CCO may delegate administrative tasks to subordinates or other employees or officers, as may be necessary for the purposes of this policy.

IV. DEFINITION OF BRIBERY

Bribery is the most common form of corruption and can be broadly defined as the offering, promising, giving, accepting or soliciting of an advantage as an inducement or reward for an action which is illegal or a breach of trust.

Although many people think of bribery as giving someone cash, it can take many other forms including non-cash gifts, lavish entertainment or hospitality or other reward or benefit.

Bribery takes place if someone is given a gift, donation, loan, cash or non-cash incentive, benefit, or is taken out for particularly lavish hospitality and that in doing so the giver of such items has done so with the intention of inducing or rewarding someone to behave improperly or not to perform their function correctly or in good faith.

It is important to remember that, in most cases, it will be irrelevant whether the bribe was accepted or not; merely offering the bribe will usually be sufficient for an offence to be committed.

Bribery can be direct (e.g. you give a bribe to someone) or indirect (e.g. you get someone else to give a bribe to another person).

V. PROHIBITION OF BRIBERY AND CORRUPTION

Bribery and corruption can take many forms and it is important to understand what is expected in this regard.

It is not permitted for you (or someone acting on your behalf) to:

- give, promise to give, or offer, a payment, loan, reward, gift or entertainment, to a Public Official, or any Third Party with the expectation or hope that a business advantage will be received, or to reward a business advantage already given (i.e. securing a permit, securing or renewing a contract with favourable terms, influencing a Public Official to take or omit an action in violation of his or her lawful duty etc.)
- give, promise to give, or offer, a payment, loan, reward, gift or entertainment to a Public Official, or any Third Party to “facilitate” or expedite a routine procedure;
- threaten or retaliate against any person who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.

Even if you (or someone acting on your behalf) is not directly involved in bribery, it is also not permitted for you (or someone acting on your behalf) to falsify the Corporation’s books and records for the purpose of bribery or of hiding bribery. Specifically, you cannot:

- maintain off-books accounts;
- fail to record or inadequately record transactions;
- record non-existent expenditures;
- inaccurately identify liabilities;
- knowingly use false documents; or
- destroy accounting books and records.

In this policy, “**Third Party**” means any individual or organization you come into contact with during the course of your work for or with the Corporation, and including but not limited to, existing or potential customers, suppliers, consultants, agents, brokers, donation or sponsorship beneficiaries, advisers, as well as any Public Officials.

In this policy, “**Public Official**” means:

- any person holding a legislative, administrative or judicial office of a country, government, state, province or municipality, whether appointed or elected;
- any person exercising a public function for a country, government, state, province or municipality, including for a government agency, board, commission, corporation or other body or authority;
- any official or agent of a public international organization; or

- any political party or official of a political party or a candidate for public office;

In addition to the guidance on specific issues set out below, you may find it helpful to consider the following questions before you give or offer something in the course of acting on behalf of, or in association with, the Corporation. If the answer to any of these questions is “yes” or “I don’t know” then what you are doing could be, or could be viewed as, a bribe and you should speak to the CCO:

- Am I doing this to try to improperly influence a decision someone is going to make?
- Do I feel that I cannot openly record this in the Corporation’s books and records?
- Does the person who I am giving or offering this to want it to be kept a secret?
- If this became public information, could it harm the reputation of the Corporation?
- If the other person accepts this, will they feel obligated to do something in return?
- Is this against the law?

VI. FACILITATION PAYMENTS AND KICKBACKS

The Corporation does not make facilitation payments or “kickbacks” of any kind.

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official (such as the issuance of permits, licences, processing visas or work permits, provision of mail pick-up and delivery etc.). Kickbacks are typically payments made in return for a business favour or advantage and can include discounts or other types of cash incentives.

All Employees must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made by or on behalf of the Corporation.

If asked to make a payment on the Corporation’s behalf, always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. Always obtain a receipt which details the reason for the payment and illustrates that the payment went directly to the appropriate payee who provided the goods or services. Any suspicions, concerns or queries regarding a payment should be raised with the CCO.

VII. GIFTS, ENTERTAINMENT AND HOSPITALITY

The practice of giving business gifts and taking part in corporate entertainment or undertaking speaking engagements varies between countries, regions and industries. What may be normal and acceptable in one may not be in another.

The test to be applied is whether in all the circumstances the gift or entertainment is reasonable and justifiable rather than lavish and extraordinary; bearing in mind that what may normally be viewed as small or insignificant in some countries can be of significant value in another. The intention behind the gift should always be considered and nothing should be specifically expected or demanded in return.

The giving of gifts and corporate hospitality or entertainment is not prohibited, if the following requirements are met:

- it is not done with the intention of influencing a Third Party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it complies with law;
- it does not include cash or a cash equivalent;
- taking into account the reason for the gift or entertainment, it is of an appropriate type and value in the applicable country/region and given at an appropriate time;
- it is given openly, not secretly; and
- gifts or entertainment should not be offered to Public Officials, without the prior approval of the Chief Executive Officer (“CEO”) or the CCO.

VIII. CHARITABLE CONTRIBUTIONS AND SPONSORSHIPS

Any charitable contributions or sponsorships made or offered on behalf of the Corporation greater than \$5,000 must:

- not be related to, dependent on, or made in order to win, or influence, a business deal or decision;
- be given directly to the relevant charity or organization and not to an individual; and
- only be given with the prior consent of the CEO or the CCO.

The Corporation will conduct due diligence on the Third Party to ensure that the recipient of any charitable contribution or sponsorship is a legitimate and, in the case of a charity (if required under local laws) registered charity, and that the donations or sponsorship were expensed or accounted for in an appropriate manner. The recipient will be required to provide a receipt for the contribution, and confirmation of what the funds will be used for.

IX. POLITICAL DONATIONS

The Corporation does not make any contributions to Public Officials, except in accordance with laws and with the written authorization of the CEO.

Employees must not make or offer any political contributions or donations on behalf of the Corporation, except in accordance with laws and with the written authorization of the CEO.

In undertaking any such unauthorized activity, all Employees will be deemed to be acting in their personal capacity or that of their own corporate organization and not on behalf of the Corporation.

X. YOUR RESPONSIBILITIES

All Employees must ensure that they have read, understood and comply with this policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all Employees. All Employees are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify the CCO as soon as possible if you believe or suspect that a breach of this policy has occurred, or may occur in the future.

Any employee of the Corporation who breaches this policy will face disciplinary action, which could result in dismissal for cause.

The Corporation reserves its right to terminate contractual relationships with Employees if they breach this policy.

XI. RECORD-KEEPING

The Corporation must keep financial records and have appropriate internal controls in place which will evidence the business reason for any payments made to Third Parties.

All accounts, invoices, and other similar documents and records relating to dealings with Third Parties should be prepared and maintained with strict accuracy and completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments.

XII. REPORTING CONCERNS

All Employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the CCO.

It is important that you advise the CCO as soon as possible if you or another Representative are offered a bribe by a Third Party, are asked to make one, suspect that this may happen in the future, or believe that you or another Representative are a victim of another form of unlawful activity when acting on behalf of, or in association with, the Corporation.

XIII. PROTECTION & REPORTING VIOLATIONS

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another’s wrongdoing, are sometimes worried about possible repercussions. The Corporation encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

The Corporation is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the CCO immediately. If the matter is not remedied, and you are an employee, you should raise it formally with the CEO. Concerns may also be raised through the Corporation's Whistleblower Policy (available at <https://aquilaresources.com/corporate/corporate-governance>).

XIV. MONITORING AND REVIEW

The CCO will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

The CCO will periodically report on compliance with this policy to the Nomination, Compensation and Governance Committee.

All Employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the CCO.

This policy will be reviewed periodically by the Corporation and may be amended at any time. Employees, officers and directors will be fully informed of any material revisions to this policy.

Approved January 2019