

## AMERIGO RESOURCES LTD. ("AMERIGO")

### ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Effective July 25, 2016

#### Introduction

Amerigo is committed to conducting business with integrity and in accordance with the highest ethical and moral standards. Amerigo's policy is to comply with the strictest requirements of the anti-corruption laws of Canada, the United States and all other countries in which we do business. There is no exception to this policy, and it may not be compromised or qualified by anyone acting for or on behalf of Amerigo or any of its subsidiaries (collectively, the "Company").

The purpose of this Policy is to avoid and prevent bribery and corruption in all business dealings and transactions undertaken by the Company. This Policy provides information and guidance on how to recognize and deal with bribery and corruption issues and provides guidelines and establishes procedures to ensure that all those working for, on behalf of and with the Company have a clear and consistent understanding of how to avoid and prevent bribery and corruption.

This obligation includes compliance with all applicable anti-bribery and anti-corruption laws, rules and regulations, which include the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act* (United States), *The Bribery Act* (UK) and all other global anti-bribery and anti-corruption conventions (collectively, "Anti-Corruption Laws").

Anti-Corruption Laws are criminal statutes which prohibit the corrupt payment of money or giving of things of value, i.e., "bribes," to public officials, state-owned enterprises, public international organizations or political parties, or to candidates for political office, in order to obtain business or secure an improper advantage for the Company.

Violations of Anti-Corruption Laws can result in criminal penalties for the Company and its directors, officers and employees, including imprisonment. If an individual is convicted of an Anti-Corruption Law violation, Amerigo cannot protect the person from any punishment that the Court may impose. In addition, Amerigo cannot defend or indemnify any individual who intentionally violates or who orders or who knowingly permits a subordinate to violate an Anti-Corruption Law. Further, any such person will be subject to disciplinary action by Amerigo, including possible dismissal.

#### Policy Application

This Policy applies to all Company personnel ("Personnel") in every location in which the Company operates, including executives, financial officers and members of the board of directors of the Company. From the effective date of this Policy, all consultants ("Consultants") and business partners of the Company must be informed of the requirements of this Policy and must agree in writing to comply with this Policy and all applicable anti-bribery and anti-corruption laws.

#### Policy

This Policy prohibits authorizing, offering, promising, lending or giving any improper pecuniary or other advantage, either directly or indirectly, to a public official, or to any other person with the knowledge or intention that all or a portion of such advantage is for the direct or indirect benefit of a public official, as consideration for an act or omission by the public official in connection with the performance of his or her

duties, to influence the public official in his or her duties, or to otherwise secure an in appropriate advantage.

An improper economic or other advantage may take many forms including, but not limited to, gifts, entertainment, reimbursement of expenses, political or charitable donations, in-kind contributions, loans, rewards, investment opportunities, subcontracts, business commissions or business incentives and does not depend on:

- the value;
- the results;
- local customs (or the perception of local customs);
- the tolerance by authorities in the public official's jurisdiction; or
- the alleged necessity, unless the life, liberty or security of Personnel or a Consultant is at stake.

The above conduct is prohibited even if:

- the benefit is for someone other than the party providing it;
- the business being sought is not with the government;
- the payment or other advantage does not actually secure an advantage in business; or
- the payment or other advantage was initially suggested by a public official.

All Personnel and Consultants must ensure that the Company's relationships with countries, states, public agencies, public enterprises, public international organizations and public officials are carried out in an open, transparent and fair manner.

Accordingly, all Personnel and Consultants are prohibited from providing any economic or other advantage, regardless of the value, to any public official to obtain, maintain or direct Company business except in accordance with this Policy or related policies or procedures. This prohibition applies to the use of both Company and personal funds or assets.

All Personnel and Consultants are expected to be aware of all anti-bribery and anti-corruption laws applicable to their business operations and the potential impact of such laws on the Company's operations, and to conduct their business activities in compliance with such laws and this Policy.

All Personnel must take appropriate measures to ensure that Consultants with whom they work do not engage in any prohibited activity or conduct with all or part of any economic or other advantage provided to them.

## **Guidelines**

### *Gifts and Entertainment*

This Policy does not prohibit reasonable, proportionate and customary payments made in good faith for expenses incurred by or on behalf of the Company related to the promotion of the business or completion or execution of a contract with a public agency, public enterprise or public international organization. However, Personnel must be explicitly authorized, in advance, to make, arrange for, or agree any such payments. In deciding whether to authorize such payments, management of the Company will follow these important guidelines:

- **Legality.** The expense must be permissible or required under the local laws and policies in the country or state in which the business activities occur.

- **Purpose of the Expense.** The gift or receipt of anything of value is not permitted to obtain a business advantage, influence a decision, or in circumstances where it could be perceived to have been given for illegal purposes. All expenses must serve a legitimate business purpose.
- **Exchange of Cash.** The gift or receipt of cash or cash equivalents is prohibited.
- **Proportionality.** Every gift must be reasonable and customary, of nominal value and appropriate in the circumstances in value and nature. When assessing the reasonableness of a gift, the frequency with which it is provided to a particular individual must be taken into account. Even nominal gifts, when provided frequently, can amount to an improper expense.
- **Reputational Risk.** All benefits must be exchanged openly, without the use of a third party or intermediary. Benefits may not be made that, if made public, would reflect negatively on the Company.
- **Selection of recipient.** Whenever possible, the Company should seek to permit the government entity to preselect the recipient of the gift.
- **Documentation.** All Personnel are required to accurately record all expenses, with supporting documentation in the form of receipts. Further details are provided under the heading "Accounting Books and Records", below.

If in doubt as to whether a Gift or other expense to be given or incurred on behalf of Amerigo is appropriate, Personnel shall contact Amerigo's General Counsel and keep a written record of his or her inquiry and the response received.

#### *Political and Charitable Donations*

Special attention must be given to political and charitable donations. The legality of a political or charitable donation may be questioned when:

- it appears to be closely connected to a particular business relationship;
- the amount suggests even an implicit understanding of an exchange to influence business for the Company;
- it is made at the request of a Public Official;
- it is made on behalf of a Public Official; or
- it is made to an individual or entity with whom a Public Official is directly or indirectly associated.

All political donations are prohibited unless pre-approved by Amerigo's Board of Directors.

#### *Facilitation Payments*

Generally, Amerigo takes the position that officers, employees, and agents or intermediaries acting on Amerigo's behalf will not make Facilitation Payments.

In compelling and rare circumstances, exceptions to this Policy may be made with the prior written approval of the Amerigo Board of Directors. All such payments must be reported to Amerigo's General Counsel, who will record the amount, payee, circumstances of the payment, and identify the employees, officers, or agents of the Company involved in the payment.

#### *Accounting Books and Records*

Amerigo is committed to developing, documenting, maintaining and continually enhancing its internal financial controls to assist in ensuring that all payments are accurately recorded in the Company's books

and records. Special attention will be paid to those areas that may directly affect compliance with this Policy.

All payments made and expenses incurred on behalf of the Company must be properly recorded with a complete and accurate description of the character, nature and purpose of the payment or expense and must be properly documented with receipts or equivalent supporting documentation. No payment made or expense incurred on behalf of Amerigo will be approved without supporting documentation, and all Personnel and Consultants will not make any payment or incur any expense on behalf of the Company with the intention or understanding that any part of the payment or expense will be used for any purpose other than that described by the supporting documentation.

All Personnel and Consultants are prohibited from:

- keeping any accounts or transactions "off-book" to facilitate or conceal improper payments, or for any other reason;
- establishing, contributing to, or permitting the establishment of any undisclosed or unrecorded funds, accounts or assets of Amerigo or for the benefit of Amerigo;
- making inflated or artificial entries in Amerigo's books and records or engaging in any arrangement that results in such entries;
- making any entries in Amerigo's books and records using false documentation or that incorrectly identifies the object;
- falsifying any accounting record or document relating to a transaction, or using any record or document known or suspected to be false by the user, to obscure or disguise the true nature of the transaction, or for any reason;
- intentionally destroying bookkeeping documents earlier than permitted by the applicable law.

All accounts, invoices, memoranda and other documents and records relating to dealings with any Consultant must be prepared and maintained with strict accuracy and completeness.

All invoices must describe and value each item and charge in sufficient detail to be easily understood by a third party, as well as describe the true nature of the transaction and be consistent with the information contained in all other documentation relating to the transaction. Invoices must never be for an amount that exceeds the contracted and reasonable charge for the products or services provided, and must never include any additional or unusual items.

Each member of accounting Personnel who assists in the preparation of quarterly financial statements must affirm, upon request from Amerigo's Board of Directors, that to the best of his or her knowledge no payments have been made during that period in violation of this Policy.

### **Due Diligence**

Amerigo is committed to conducting a thorough and well documented due diligence review before engaging any Consultant, entering into any joint venture relationship or participating in any merger or acquisition, as well as conducting periodic due diligence, as appropriate in the circumstances, throughout the period of any business relationship.

If any inconsistencies are uncovered or concerns arise during the course of any due diligence Personnel must consult with the Amerigo's General Counsel.

### *Consultants*

Personnel considering engaging a Consultant must conduct due diligence to ensure that the Consultant has a good reputation and track record and the necessary expertise. Due diligence should include, but should not be limited to:

- verifying with its prior and current clients that the Consultant:
  - has the capacity to provide the required services;
  - delivered services as promised; and
  - charged reasonable amounts for the services delivered;
- identifying any relationship between the Consultant (and any Family Member) and Public Officials; and
- reviewing past experiences of the Consultant with Amerigo, if any.

The results of the initial due diligence must be accurately and thoroughly recorded in writing and placed in a file created for the Consultant.

Personnel in charge of engaging a Consultant must send prior written notice to Amerigo's General Counsel with the following:

- name of the Consultant;
- anticipated start date and term of the contract;
- principal purpose of the contract;
- estimated value of the contract, annually and during the whole term of the contract; and
- details of past contracts entered into between the Company and the Consultant.

The engagement should be formalized in writing using a suitable form of independent consultant agreement. Such agreement shall contain appropriate representations, warranties, covenants, events of default and indemnity provisions in relation to the activities of the Consultant being in compliance with this Policy and all applicable anti-bribery and anti-corruption laws. Before signing a contract with a Consultant, a draft of the contract must be sent to Amerigo's General Counsel.

Personnel who engage a Consultant must monitor the Consultant's activities and performance throughout the course of the engagement including, but not limited to:

- ensuring that the Consultant provides a detailed accounting of all services performed and payments made on behalf of the Company and all applicable supporting documentation;
- carefully examining each invoice and the supporting documentation submitted by the Consultant to ensure that all payments are made in conformity with the Consultant's agreement; and
- periodically conducting monitoring activities to ensure compliance with this Policy and all applicable anti-bribery and anti-corruption laws.

If any questions arise regarding compliance with anti-bribery or anti-corruption laws or if there is any doubt as to the propriety of a particular engagement, payment or transaction, consult with Amerigo's General Counsel.

#### *Major Transactions*

The Company and its directors and officers may be liable for any corrupt activities that have taken place in the past by an entity ("Entity") that is being considered for a transaction with the Company.

Before the Company completes a transaction with an Entity, Amerigo's General Counsel will conduct due diligence on the Entity and the proposed transaction to provide reasonable assurance that none of the

Entity's past business activities were in violation of any anti-bribery or anti-corruption laws. Due diligence includes, but is not limited to:

- reviewing all significant interactions between the target and any Public Official, State, Public Agency, Public Enterprise and Public International Organization;
- investigate the history of corruption of the country or countries in which the target's business activities took place;
- forming a working partnership between the Company's negotiating team and the Entity's team of compliance risk experts;
- reviewing relevant records of the Entity, including but not limited to financial and accounting, employment and Consultant records;
- interviewing the Entity's management and compliance officer, if applicable; and
- interviewing key staff and, if appropriate, circulating a questionnaire focusing on particular areas of concern.

The due diligence results must be accurately and thoroughly recorded in writing and assessed by Amerigo's General Counsel and Chief Financial Officer to determine their impact on the value of the Entity and whether to recommend the transaction to Amerigo's Board of Directors.

When a transaction is approved, Amerigo's General Counsel must ensure that each written agreement contains appropriate representations, warranties and indemnity provisions, and that the compliance policies of the target and Amerigo are harmonized after closing of the transaction.

## **Responsibilities**

Personnel and Consultants are responsible for preventing, detecting and avoiding any activity that may lead to a breach of this Policy, as well as reporting any violation or suspected violation of this Policy.

Managers/supervisors must ensure that all Personnel and Consultants for whom they are responsible are provided a copy of and receive proper training on this Policy, and complete, sign and return to the Company the Receipt and Acknowledgment in the form set out in Schedule "B". Managers/supervisors also have day-to-day responsibility for establishing and maintaining the practices, procedures and internal controls necessary to implement this Policy.

The Board of Directors is responsible for reviewing and approving the content of this Policy and any amendments. This Policy may be amended from time to time without notice.

## **Procedures**

### *Reporting*

Any violation or suspected violation of this Policy must be reported to Amerigo's General Counsel or, in the alternative, in accordance with the reporting process set out in Amerigo's Whistle Blower Policy. For additional information regarding the procedure for reporting violations or suspected violations of this Policy, please refer to Amerigo's Whistle Blower Policy.

All Consultants and business partners of the Company should report any violation or suspected violation of this Policy in accordance with the terms of their agreement(s) with the Company.

No retaliatory action will be taken or permitted against any individual or entity making a good faith report under this Policy.

### *Violations*

All Personnel and Consultants who violate this Policy will be subject to disciplinary action, in accordance with applicable local progressive discipline policies, up to and including termination of employment or of the contract, as applicable.

Violations of this Policy may also result in criminal and/or civil action. Violations of anti-bribery and anti-corruption laws subject the offending party to severe criminal penalties, including imprisonment, and both Amerigo and the offending party to severe civil penalties.

The Company reserves the right to terminate contractual relations with any Consultant and any business partner who has contractually agreed to comply with this Policy and has violated this Policy.

### *Monitoring*

The Company is committed to ensuring compliance with anti-bribery and anti-corruption laws and will monitor, reassess and, where necessary, adapt this Policy to ensure continued effectiveness.

### **Contacts**

Any questions regarding this Policy or the appropriateness of any activity in relation to this Policy should be directed to Aurora Davidson, Executive Vice President and CFO of Amerigo, at (604) 697-6207 or [ad@amerigoresources.com](mailto:ad@amerigoresources.com), or if applicable, her successor.

## Schedule "A" - Definitions

**"Consultant"** means any individual, firm or entity acting for or on behalf of Amerigo, including but not limited to agents, consultants, representatives, advisors, intermediaries, distributors, brokers or other service providers who are hired or otherwise retained by Amerigo to provide services that directly relate to business that may involve, either directly or indirectly, a State, Public Agency, Public Enterprise, Public International Organization or who has or is likely to have contact with a Public Official.

**"Books and Records"** include information recorded on a tangible medium and retained as evidence of an organization's activities, events, finances, or transactions, for legal, regulatory, business, strategic, historical, or posterity reasons. For greater particularity, all accounting records, in whatever form, are included.

**"Entertainment"** includes, but is not limited to, receptions and tickets to, or participation in business, leisure, social, cultural or sporting events where the attendance serves a customary business purpose. Entertainment is given with the intent of initiating or developing a business relationship and, unless otherwise stated in this Policy, requires the person offering the Entertainment to be in attendance.

**"Facilitation Payments"** are payments made to lower-level public or private sector employees to secure or encourage the performance of a routine act which is within the normal powers of that employee and to which the payer is already entitled. Such payments are of low value, and are intended to be of personal benefit to the payee.

**"Family Member"** means

- (a) a spouse; domestic partner, spousal equivalent, or dependent (whether or not related), child (including adopted child), parent, sibling, grand-parent, grandchild, step brother-sister, step-parent, aunt, uncle, niece, nephew, guardian or an individual who stands or stood in the place of a parent to a person when the person was a child, foster-child, or ward;
- (b) any spouse, parent, sibling, or child of any of the above; and
- (c) any individual who is related by blood or affinity or whose close association with the person is the equivalent of a family relationship.

**"Gift"** means anything of value transferred to another without compensation, including monetary and non-monetary items. Gifts are given as a mark of friendship or appreciation or to promote or advertise the Company's business and include, but are not limited to, food and other consumable items, flowers, prizes, gift certificates or gift cards that are redeemable for products or services but have no cash value, discounts, promotional items, the use of a giver's time, premises, materials or equipment.

**"Knowledge"** includes deliberately ignoring circumstances that reasonably suggest that the advantage is for the direct or indirect benefit of a Public Official. Such benefits may take many forms including, but not limited to, cash, gifts, entertainment, reimbursement of expenses, meals, hospitality, travel, political or charitable donations, in-kind contributions, loans, rewards, investment opportunities, subcontracts and business commissions or incentives.

**"Personnel"** means all Amerigo directors, officers and employees (permanent, part-time, students, temporary and casual).

**"Public Agency"** means any authority or body established under public law or otherwise, to perform a duty or function on behalf of a State or is performing public duties or functions including, but not limited to a board or a commission.

**"Public Enterprise"** means any enterprise, regardless of its legal form, over which a State, or States, may, directly or indirectly, exercise a dominant influence including, but not limited to a national agriculture and commodity company.

**"Public International Organization"** means any public international organization, including international financial institutions such as the World Bank Group, the International Bank for Reconstruction & Development, the European Bank for Reconstruction & Development, and the Asian Development Bank.

**"Public Official"** means any person holding a legislative, administrative, executive or judicial office of a State; any person performing public functions for a State, a Public Agency or a Public Enterprise; any official or agent of a Public International Organization; any representative or employee of a company or other business entity in which a State or governmental body has an ownership interest.

**"State"** means any country and includes

- (a) any political sub-division of that country;
- (b) the government, and any department, or branch, of that country or of a political sub-division of that country; or
- (c) any agency of that country or of a political sub-division of that country.

**Schedule "B" - Receipt and Acknowledgment of Anti-Bribery and Anti-Corruption Policy**

I have received a copy of the Anti-Bribery and Anti-Corruption Policy (the "Policy") of Amerigo Resources Ltd. (the "Corporation") and acknowledge that I have read and understand its contents. I understand my obligation to comply with the Policy, and my obligation to report to appropriate personnel within the Corporation any and all suspected violations of the Policy. I am familiar with all resources that are available if I have questions about specific conduct, Corporation policies, or the Policy.

Printed Name:

Signature:

Position:

Date: