



# CASA Mining Limited

## Corporate Code of Conduct

### Statement of Policy.

It is the policy of Casa Mining Limited (the "**Company**") that all of its officers, directors, employees, contractors, consultants and agents representing the Company or any of its subsidiaries and affiliates shall comply fully with all the provisions of the United States Foreign Corrupt Practices Act of 1977, as amended ("**FCPA**"), the U.K. Bribery Act of 2010 ("**UKBA**"), and all other anti-corruption and anti-bribery legislation applicable to the Company (whether by virtue of its jurisdiction of incorporation or the conduct of its business operations) (collectively the "**Applicable Anti-Corruption Laws**").

### Administration of the Policy.

The Policy will be administered by the Company's Chief Compliance Officer ("CCO").

### Requirements of the FCPA.

The FCPA has two basic requirements which may be summarized as follows:

1. **Anti-Bribery Provisions.** The Company's officers, directors, employees, contractors, consultants, and other agents representing the Company may not corruptly offer to, promise to, or provide cash or anything of value to any foreign official, foreign political party or party official or any candidate for foreign political office in order to influence an act or decision that will assist the Company in obtaining or retaining business or in directing business to anyone else. A payment or offer is corrupt if it is made intentionally and voluntarily with the intention of causing conduct that is prohibited by the FCPA. The term anything of value is broadly construed and includes but is not limited to gifts, entertainment, and political contributions.

*A foreign official* means any officer or employee of a foreign government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or all levels of federal, state, provincial, county, municipal and similar officials of any government outside the United States and also includes all levels of officials of any commercial enterprise owned, controlled, or operated by a government other than the United States, for example, such as a national oil or energy company. Public international organizations include organizations such as the International Monetary Fund, the European Union, the World Bank and other similar organizations.

2. **Record-keeping and Accounting Provisions.** Companies whose securities are publicly traded on U.S. exchanges are required to keep accurate books and records in reasonable detail and to maintain a reasonable system of internal controls. The record-keeping and accounting provisions apply to all payments, regardless of the size or type of payment. Although the Company is not listed on a U.S. exchange, all of the Company's officers, directors, employees, contractors, consultants, and other agents representing the Company are expected to comply with the FCPA's record-keeping and accounting provisions.

### Applicability of the UKBA.

The Company may have affiliates with operation in the U.K., and may accordingly be subject to the UKBA, as well as for the violations of the UKBA of any of the companies and employees that it controls. U.K. citizens and nationals also are directly subject to the UKBA. Given the activities of the Company's affiliates and the operational breadth and management philosophy of the Company's constituent businesses, it should be assumed that the UKBA applies to all the Company operations and employees. All Company personnel must abide by the UKBA.

### Requirements of the UKBA.

The UKBA makes it a criminal offence:

1. to directly or indirectly through third parties offer, promise, or give any financial or other advantage to any person in order to induce any person to improperly perform a public or private function or to reward the improper performance of a public or private function, or where the offeror, promisor or giver knows or believes that acceptance of the bribe would constitute improper performance of a public or private function;
2. to directly or indirectly request, agree to receive, or accept *any financial or other advantage* in the context of public or private functions;
3. to directly or indirectly offer, promise or give *any financial or other advantage* to a *foreign public official* in order to influence the official in his official capacity and to obtain or retain business or an advantage in the conduct of business; and
4. for a commercial organization (which may be a company incorporated in the U.K. or a company incorporated elsewhere that carries on business, or part of a business, anywhere in the U.K.) if it fails to prevent a person or entity that performs services for or on behalf of the company from committing bribery (i.e., any of offenses (a)-(c) above) with the intention of obtaining or retaining business, or an advantage in the conduct of business for the company.

A *foreign public official* means anyone who holds a legislative, administrative, or judicial position, whether elected or appointed, an official or agent of a public international organization, and anyone who exercises a public function for a foreign country or its public agency. Therefore this will likely include an officer or employee of a national oil or energy company.

The law broadly applies to all U.K. companies, nationals and those ordinarily resident in the U.K. (regardless of nationality), in many cases even when the act or omission in question takes place outside of the U.K. However, offence (d) is drafted so that a non-U.K. company that conducts even just "part of its business" in the U.K. must adhere to the UKBA.

### Foreign Government Officials.

The FCPA and UKBA broadly define the category of persons to whom improper payments may not be made. Although the definitions vary somewhat, this Policy and the accompanying Code prohibit improper payments to all persons covered by the FCPA and UKBA. Accordingly, as used in this Policy and the Code, "**foreign government official**" means any officer or employee of a foreign government, a public international organization or any department or agency there of or any person acting in an official capacity for such government or organization. This includes:

1. a foreign official as defined in the FCPA;
2. a foreign public official as defined in the UKBA;
3. an officer or employee of a Government-owned, -controlled, or -operated enterprise, such as a national oil company; and
4. any foreign political party or party official or any candidate for foreign political office (consistent with the FCPA).

Any question regarding whether an individual is considered a *foreign government official* as defined above must be addressed to the CCO.

### Third Parties and Knowledge.

The FCPA prohibits corrupt offers, promises and payments of money or anything of value through intermediaries. The UKBA prohibits the same conduct through intermediaries if done with the intent to induce another to perform a relevant function improperly. Thus, the Company and its officers, directors, and employees who are subject to the FCPA or UKBA could be liable for indirect offers, promises of payments, or payments to any foreign government official if such offers, promises or payments are made through an agent, joint venture partner or other third party intermediary with the knowledge that such foreign government official will be the ultimate recipient. Knowledge includes conscious disregard and deliberate ignorance of facts which indicate a high probability that the relevant payment will occur.

### Facilitating Payments are Prohibited.

Payments made to foreign government officials to speed up or secure routine and non-discretionary governmental action – such as processing visas or scheduling inspections by a foreign government official – are sometimes referred to as "facilitating payments" or "grease payments." These payments are not permitted under the UKBA and the Company does not permit these payments to be made, except when the health or safety of a Company employee, consultant, agent, or other representative is in imminent and grave danger. In that event, the circumstances of the payment, including the reason for it, its amount, and the identity of the recipient, must be accurately recorded and reported to the CCO before the payment is made.

### Payments that may be Permitted.

1. *Applicable Written Law Defense.* The FCPA and UKBA permit a narrow category of payments to or for the benefit of foreign government officials if the payment is lawful under applicable written laws and regulations. However, this defense will rarely if ever apply and any payment made under this defense must have been approved in accordance with the procedures specified in the accompanying Code.
2. *Reasonable and Bona Fide Expenditures Defense.* The FCPA permits the payment of reasonable and bona fide expenditures on behalf of a foreign government official and directly related to:
  - a. the promotion, demonstration or explanation of products or services; or
  - b. the execution or performance of a contract with a foreign government or agency thereof.

Any payment of expenses of the type described above must have express prior written approval from the CCO and be fully and accurately recorded as such in the Company's books and records as noted in the Code.

Any question regarding the application of either of the defences discussed above must be addressed to the CCO.

### Penalties.

The penalties for violating the FCPA or UKBA are severe. In addition to the penalties listed below, any officer or employee of the Company who violates any of these or other equivalent anti-corruption and/or anti-bribery legislation applicable to the Company will be subject to disciplinary action, up to and including termination for cause. Persons or entities who provide services to the Company as contractors, consultants or other agents should similarly expect to have their contracts terminated for cause if they violate any of these laws. The Company or the relevant member of the Company will actively seek to recoup any losses which it suffers as a result of a violation of any of these laws from the individual or entity who carried out the prohibited activity.

- a. *Penalties under the FCPA.* Companies that violate the FCPA anti-bribery provisions may be subject to a *fine of up to \$2,000,000*, or an alternate fine that could be much greater. Individuals who violate the FCPA anti-bribery provisions may be *sent to prison* for up to five years and are subject to a fine of up to \$100,000, or an alternate fine that could be much greater. An employer is not permitted to reimburse fines for FCPA violations.
- b. *Penalties under the UKBA.* Individuals who violate the UKBA may be *sent to prison for up to ten years and/or subject to an unlimited fine*. Companies that violate the UKBA may be subject to an unlimited fine. Where a company is convicted of any of the offences described at (a) to (c) (under the paragraph headed "Requirements of the UKBA") and a senior officer is shown to have consented or connived in the company committing the offence, such officer will be guilty of the underlying offence and subject to penalties as an individual.

### Education and Monitoring.

The Company management will implement and maintain a program to provide periodic anti-corruption education and training to the Company management (including the Board) and all accounting and sales employees. Company management will also implement and maintain a program to actively monitor compliance with this Policy by all the Company entities, employees, officers, directors and representatives.

**Reporting Obligations.** All officers, directors, employees, contractors, consultants and agents of the Company must report any knowledge, awareness or reasonable suspicion of a potential violation of the FCPA, UKBA, and all other equivalent anti-corruption or anti-bribery legislation applicable to the Company (whether by virtue of its jurisdiction of incorporation or the conduct of its business operations), this Policy or the Code to the CCO. It is important to be alert to "red flags" which may indicate the potential existence of a corruption problem. In connection with your reporting obligation, examples of potential "red flags" include, but are not limited to, the following:

The contracting party has a history of improper payment practices;

- a. The transaction or the contracting party is in a country where there is widespread corruption or has a history of bribes and kickbacks (Transparency International maintains a corruption index that is a useful resource: <http://cpi.transparency.org/cpi2011/results/>;

- b. The transaction or the contracting party is involved in or with an industry that has a history of FCPA violations and/or corruption;
- c. The contracting party refuses to agree to comply with the FCPA, UKBA, or equivalent applicable anti-corruption legislation;
- d. The contracting party has a family or business relationship with a foreign government official;
- e. The contracting party has a poor business reputation;
- f. The contracting party insists that its identity remain confidential or refuses to divulge the identity of its owners, directors, or officers;
- g. A government customer recommends or insists on use of a particular intermediary or consultant;
- h. The contracting party does not have offices or a staff;
- i. The contracting party does not have significant experience;
- j. The contracting party insists on unusual or suspicious contracting procedures;
- k. The fee or commission to be paid to the contracting party is unusually high;
- l. The payment mechanism to be utilized is secretive or unusual;
- m. The contracting party submits inflated or inaccurate invoices;
- n. The contracting party requests cash or bearer instrument payments;
- o. The contracting party requests payment in a jurisdiction outside its home country that has no relationship to the transaction or the entities involved in the transaction;
- p. The contracting party asks that a new customer be granted an excessive credit line;
- q. The contracting party requests unusual bonus or special payments; and
- r. The contracting party requests an unusual advance payment.

Due diligence investigations conducted by the Company should include an analysis of potential “red flag” issues. Investigations of potential “red flag” issues should be carefully documented and relevant documents, such as due diligence reports and compliance certificates, should be maintained.

The CCO shall report all credible allegations and reports to the Board.

#### **Further Information.**

This Policy provides a summary of important anti-corruption laws and issues, but additional details on particular questions and issues are available. Any questions about the Policy should be directed to the CCO.

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