
1.1.5 ANTI-CORRUPTION POLICY

Policy: It is a policy of Continental Gold Inc. (the “**Company**”) to comply with applicable provisions of the *Corruption of Foreign Public Officials Act of Canada* (“**CFPOA**”) and *The Superintendence of Companies External Letter No. 100-000005 of Colombia* (“**External Letter 100**”)¹ and to promote activities that ensures that the Company is not used as a means of corruption, bribery, money laundering and the financing of terrorism and other crimes. This policy supplements the Company’s *Code of Business Conduct and Ethics* and all applicable laws and provides guidelines for the compliance with the CFPOA and External Letter 100, and Company policies applicable to the Company’s operations world-wide.

No director, officer, employee, consultant, agent, contractor or business partner of the Company or its subsidiaries will, directly or indirectly:

1. give, offer or agree to give or offer a bribe, as further defined in this Policy, to any foreign public official or to any person for the benefit of a foreign public official or any other person in order to obtain or retain any form of advantage in the course of business;
2. engage in money laundering activities, as further defined in this Policy;
3. finance terrorism or other criminal activities, as further defined in this Policy.

The Company will not have any relationship with persons or entities that have or have had any ties to illegal operations or activities.

Any violation of this Policy by a director, officer, employee, consultant, agent, contractor or business partner of the Company will result in the termination of employment in the case of a director, officer or employee and the termination of contracts or our relationship with consultants, agents, contractors and business partners, all without prejudice to any legal recourse the Company may have against such persons.

Purpose: The purpose of this policy is to inform directors, officers, employees, consultants, agents, contractors and business partners of the Company and its subsidiaries of their responsibility to ensure that the Company or its subsidiaries do not violate the CFPOA and all applicable laws and regulations in Canada and Colombia.

Scope: This policy applies to all directors, officers, employees, consultants, agents, contractors and business partners of the Company or its subsidiaries and will be distributed to all directors, officers, employees, consultants, agents, contractors and business partners of the Company involved in international transactions. This Policy will also be available on the Company’s website for review.

The CFPOA applies to any individual who is a citizen, landed immigrant present in or resident of Canada and any business association that carries on and has a place of business in Canada or which is organized under the laws of Canada, a province or a territory of Canada. The Company can be liable if it authorizes, directs, or participates in bribery activity. Further, employees of the Company from Canada or residents of Canada who are employed by or acting

¹ The CFPOA conforms to External Letter 100. References to CFPOA throughout this Policy incorporate External Letter 100.

on behalf of the Company's subsidiaries outside Canada remain subject to the CFPOA even if the subsidiary that employs them is not.

Responsibilities: **Compliance Officer** is the **Corporate Secretary** in Toronto and the **Administrative and Finance Manager** in Colombia.

The **CFO** is responsible for the implementation and oversight of this Policy, ensuring it is carried out consistently with clear lines of authority. The CFO shall regularly report to the CEO and the Board of Directors concerning the implementation and effectiveness of this Policy. All reports of confirmed or suspected bribery by the Company or Third Parties acting on its behalf will be immediately and fully investigated. The CFO shall immediately report to the CEO and the Board of Directors any established violations of this Policy or other similarly material concerns.

The **Compliance Officer** is responsible for the day to day management of the policy and identifying any risks and recommendations to the policy as well as reporting any issues and incidents in respect of bribes, corruption, money-laundering and the financing of terrorism or criminal activities, including the appearance of such to the CFO.

CEO and CFO are responsible for receiving the quarterly reporting on payments, contracts, donations with public entities and officials. They review and approve all items (individual and cumulative total) in Canada or Colombia related to normal and budgeted operations and within the limits set out in the Management Expenditures Policy. Donations, unbudgeted or irregular payments, as defined in this policy, to public entities and officials up to \$100,000 are approved by the CEO and/or CFO.

President and/or **COO** review and approve all payments and contracts that are budgeted and within the normal course of business, that is defined within this policy, with public entities and officials (individual and cumulative total) in Colombia up to US\$100,000.

The **Board of Directors** is committed to this Policy and will provide the necessary leadership, resources and active support for management's implementation of this Policy. Management is responsible for reviewing the annual report of payments, contracts, donations with public entities and officials to be presented to the Board. All items related to donations, unbudgeted or irregular payments to public entities and officials (individual and cumulative total) greater than US\$100,000 are to be approved by the Board of Directors.

The **Colombia Compliance Officer** is responsible for the issuance of a manual for Colombian employees to identify detailed processes and activities that enables the Company to comply with this Policy.

The **Internal Controls Department in Colombia** is responsible for the day to day monitoring of the compliance to the policy and reporting any issues to the Colombia Compliance Officer and the Unit of Information and Financial Analysis ("UIAF"), as defined in this Policy.

Annual Certification: If requested by the Board, all directors and officers of the Company, together with any employees, contractors, agents and consultants determined by the Board, will be required to provide an annual certification of compliance with this Policy in the form attached as Schedule A to this Policy.

Waiver: There is no permitted deviation or waiver from this Policy.

Definitions: **Advantage in the Course of Business:** The terminology “in order to obtain or retain an advantage in the course of business” is intended to be of broad application and to cover bribes to secure business or any improper advantage in the course of business. This will therefore include any manner of direct monetary gain, including being awarded a contract, paying reduced customs, duties or levies, or receiving unlawfully preferential tax treatment. However, this will also include unlawful preferential treatment which does not directly or immediately consist of monetary gain, including favourable review by a government inspector, advantages in bid, tender or auction situations, or favourable legislative or regulatory treatment.

Corruption: The abuse of resources to enrich or give unfair advantage to individuals, their family or their friends.

Financing of terrorism: The direct or indirect provision, collection, delivery, receipt, management, custody or saving of funds, property or resources to financially support illegally armed or terrorist groups, domestic or foreign.

Foreign public official means any officer or employee of a foreign government (to Canada) or foreign government department, agency, board or commission or other body established to perform a duty or function on behalf of a foreign state, and persons who hold a legislative, administrative or judicial position in the foreign state. All political subdivisions of a foreign state are included in the definition of foreign state. “Foreign public official” also includes employees, officials and agents of government owned corporations and international organizations of states, such as the United Nations or its agencies. Any doubts about whether a particular person is a foreign public official.

Indirectly: The CFPOA prohibits an agreement to offer or give money, a loan, reward, advantage or benefit of any kind (a “bribe”) and an indirect offer or gift of a bribe. These in turn prohibit an agreement to having others give or offer a bribe, or giving a payment or other benefit to third persons, such as agents or contract partners, while knowing or expecting that some or all of such payments will be given to a foreign public official. Under this standard, actual knowledge of the actions of a company’s agent or partner is not necessarily required. Purposeful ignorance will not shield an individual or a company from prosecution under the CFPOA. Thus, employees may not turn a “blind eye” to activity that appears to violate the CFPOA.

Information and Financial Analysis Unit (UIAF): A Special Administrative Unit of a technical nature, under the Ministry of Finance and Public Credit of Colombia, which aims to prevent and detect operations that can be used for money laundering or terrorist financing. (www.uiaf.gov.co)

Irregular Payments or Contracts: Represents costs that are generally discretionary and/or unusual in nature and do not meet the definition of a payment or contract that are in the normal course of business, as defined in this policy. Donations are considered irregular payments.

Money laundering: Activities and financial transactions that give an appearance of legality to cash or assets obtained illegally or used to carry out criminal activities.

National and international lists: Published list of people that may be linked to money laundering or terrorist financing.

Payments or Contracts that are in the normal course of business: Represents costs that are generally non-discretionary that are usually based on established rates or fees or costs that are considered necessary for the day-to-day operation of the business. Such costs include, but are not limited to, canons or licenses, public services and utilities, local, income and social security taxes, annual membership or participation fees for local associations, procedural and processing fees. Costs and contracts associated with security services obtained from the army or police force are considered in the normal course of business. Donations are not considered normal course of business payments.

Payment, Offer, Promise or Authorization of the Payment of Anything of Value: An offer or promise can constitute a bribe, even if the Public Official (or intended recipient) does not actually receive the payment. Likewise, an offer or promise can be a bribe, regardless of whether or not the official accepts or agrees to the payment. The phrase “anything of value” should be interpreted broadly to include anything (whether monetary or non-monetary) that provides a benefit to or is of value to the Public Official. It may include favours, loans and loan guarantees, the use of property, job offers, political contributions or the payment of expenses or debts.

Person for the Benefit of a Public Official: This definition of bribery covers the situation where a Public Official might not receive the benefit himself or herself, but instead directs that the benefit be given to a family member, to a political party association, a charity or to any other person for the benefit of the official. As noted in the definition of “bribery” above, for purposes of this Policy, bribes paid to relatives and close associates of Public Officials are treated as though they were payments made to a Public Official and are therefore prohibited.

Public Official is defined in the interpretation Section of this Policy. It is key to understand that “Public Official” should be interpreted broadly to include all manner of persons acting for and related to governments, government-owned or controlled entities, and international organizations, including low-ranking employees of a government and government controlled entities and consultants who hold government positions. Furthermore, an entity should be considered government owned or controlled both where it is majority owned or controlled by a government and where it is minority owned and controlled by a government. Lastly, an individual should be considered to “hold a legislative, administrative or judicial position in a government” either where the person is a political party official or where the person is a candidate for political office.

It is often difficult to determine whether a person (or entity) is a Public Official. You should contact your Country Manager or the Compliance Officer if you are unsure whether a particular person is a Public Official.

PROCEDURE:

1.0 Standard of Conduct

The anti-bribery provisions of the CFPOA prohibit individuals and organizations from, directly or indirectly, in order to obtain or retain an advantage in the course of business:

- (a) Offering or giving or agreeing to offer or give money, a loan, a reward, advantage or benefit of any kind to a foreign public official as consideration for an act or omission by the official in connection with the performance of the official's functions or duties.
- (b) Offering or giving or agreeing to offer or give money, a loan, a reward, advantage or benefit of any kind to a foreign public official in order to induce the official to use his or her position to influence any acts or decisions of the foreign state or public international organization for which the official performs duties or functions.

In an addition, the Company also prohibits:

- (c) Offering or giving or agreeing to offer or give appearance of legality to cash or assets obtained illegally or carrying out criminal activities.
- (d) Offering or giving or agreeing to offer, give, save, deliver, manage or have custody of funds or resources to financially support domestic or foreign terrorist or other similar groups outside the law.
- (e) Offering or giving or agreeing to offer or give money, a loan, a reward, advantage or benefit that would be considered a bribe, under this Policy, to any person.

In Colombia, employees and contractors must also adhere to the Company's Anti-Corruption manual describing the detailed processes and procedures as well as additional information on acceptable activities and behaviors.

2.0 Permissible Payments

Threats of Violence: The CFPOA does not contain an exception to its bribery prohibition for payments made if the company is the victim of extortion, or threats of physical and economic harm. Threats of even severe economic harm are not considered extortion and will not justify payment or offers of a bribe under the CFPOA. If employees of the Company are threatened with physical violence in connection with a demand for payment of a bribe, they should withdraw any request that has been made for foreign government decisions or assistance and take such measures as are necessary and safe to secure themselves from harm, including requests to the Company and law enforcement for assistance where feasible. Employees should report any extortion payments made as a result of physical harm to the Compliance Officer as soon as it is possible to do so.

In the case of Colombia, any kind of payment may be made under Colombian law for money laundering or terrorist financing, which is against the law and can have consequences and fines for the company. Employees should report any case of bribery, money laundering or financing of terrorism to the Compliance Officer as soon as it is possible to do so.

Lawful Payments: The CFPOA permits payments that are permitted or required under the laws of the foreign state or international organization for which the foreign public official performs his or her duties and functions. The law must be written, not unwritten, to meet this requirement, and the absence of a bribery or payment prohibition in the laws of a foreign state does not meet the requirement that the activity be permitted under the laws of the foreign state. Further, the fact that foreign public officials may routinely solicit and receive bribes does not make the payment of such bribes acceptable corporate action or legal under the CFPOA.

Payment of Reasonable and Bona Fide Expenses: Companies may also pay bona fide and reasonable expenditures (including travel and lodging) incurred by or on behalf of a foreign official, if the payments are directly related to either (1) the promotion, demonstration or explanation of the company's products or services or (2) the execution or performance of a contract between the company and a foreign government or agency thereof.

3.0 Red Flags

Certain situations arise which may indicate a potential violation of the CFPOA or this Policy. These "red flags" are merely a representative list of the type of transactions to be on the lookout for, which may suggest a potential violation. Employees should always be alert to signs that a transaction is "wrong."

- (a) Payments greater than "normal." These may be agents' fees, or payment for goods or services which are more than normal;
- (b) Third-party payments. Payments of money to persons outside the normal scope of the transaction. This includes payments made to accounts or persons in third countries. There may be reasonable explanations for making third-party payments, but such reasons must be documented and approved before such payments are made;
- (c) Over- invoicing;
- (d) Large bonuses;
- (e) Lack of standard invoices;
- (f) Unusual credits granted to new customers;
- (g) Checks drawn to "cash;"
- (h) Large and frequent fourth quarter adjustments. There may be legitimate reasons for making such adjustments, but these reasons need to be scrutinized carefully and fully documented.
- (i) The amount or nature operations are unrelated to economic activity partners, customers and/or investors, or which by their number, quantities traded or particular features does not match the profile or parameters established.

4.0 Selecting International Business Partners

International business partners can be a source of CFPOA problems. The following checklist provides an illustrative, but not exhaustive list of ways to evaluate foreign business partners:

- (a) Investigate an entity's reputation within the community;
- (b) Conduct a business background check, ensuring that all such background checks are sufficiently documented;
- (c) Make inquiries with Canadian Government agencies, especially the Department of Foreign Affairs and International Trade, and Canadian government embassies or consulates in the business partner's country, or with foreign trade agencies operating in the business partner's county;
- (d) Make sure that the business partner has experience in the area;
- (e) Once a business partner has been selected, it is important that the Company retain control over the business partner's activities on the company's behalf.

5.0 Red Flags for Contractors and Business Partners

The following are indicators of potential problems with compliance with the CFPOA or this Policy by foreign agents, contractors, business partners and/or distributors (collectively “agents”):

- (a) The agent is doing business in a country which previously has had problems with bribery of its officials, money laundering or financing of terrorism;
- (b) The agent is identified by government officials after negotiations have begun;
- (c) The agent has a reputation for paying bribes, money laundering or financing of terrorism;
- (d) The agent requests higher than market fees or commissions;
- (e) The agent requests payment in cash;
- (f) The agent requests that payments be made to third parties unconnected to the transaction or to bank accounts in countries other than the country in which the agent is representing the company;
- (g) The agent has a “special relationship” to the foreign government (i.e., the agent’s relatives, partners, principals, or staff members are foreign officials or representatives of a foreign government or political party or candidates for political office);
- (h) The agent refuses to provide representations on his conduct (such as whether the agent is aware of the anti-bribe CFPOA and has taken no action that would violate the CFPOA);
- (i) The agent requests payment of exorbitant travel and entertainment expenses or gifts for foreign officials, or requests reimbursement of such expenses not approved in advance;
- (j) The agent requests authority to make agreements with third parties without the Company’s approval;
- (k) The agent requests that the agreement with the Company be kept secret;
- (l) The agent submits invoices or requests for reimbursement without detail as to services performed, or other substantiation.

6.0 Gifts, Meals and Entertainment

Gifts, meals, travel or entertainment provided to Public Officials can constitute bribes. Such gifts or benefits will be bribes where the gift or benefit was intended to influence the Public Official in order to obtain or retain an advantage in the course of business. The Company therefore takes a strict approach to the practice of providing gifts, meals, travel or entertainment to Public Officials.

All gifts, meals, travel and entertainment of any value provided by the Company or its representatives to Public Officials must receive the prior approval (in writing) of the CFO. For certainty, this Section applies only to gifts, meals, travel or entertainment to be provided to Public Officials and does not apply to gifts, meals, travel or entertainment provided to suppliers, clients or other third persons or parties who do not qualify as Public Officials. That said, the Company’s Code of Ethics and Business Conduct should always be reviewed and followed when engaging in these activities involving such parties who are not Public Officials.

All gifts, meals, travel and entertainment of any value provided by the Company or its representatives to Public Officials must be transparently and accurately recorded in the Company’s books and records and must be accompanied by reasonable detail describing the circumstances in which the gift, meal, travel or entertainment was provided.

7.0 Business Expenditures

Notwithstanding anything to the contrary in this Policy, the payment of business expenses or other expenditures of Public Officials of any value by the Company or its representatives is not permitted without the prior approval (in writing) of the CFO.

All payments of business expenses or other expenditures of Public Officials of any value must be transparently and accurately recorded in the Company's books and records as the payment of such a business expenses or other expenditure and must be accompanied by reasonable detail describing the circumstances in which the payment was made.

8.0 Political Involvement and Charitable Donations

No political donations or political contributions of any value may be made by the Company to any political party or politician (elected or campaigning) without the prior approval (in writing) of the CEO or CFO. The Company does not participate in party politics and persons subject to this Policy may not, in any manner, participate in politics on behalf of the Company. However, neither the Company nor this Policy restricts or prohibits you from participating in the political process as an individual citizen.

The Company's policy is not to make charitable donations that may be construed, characterized or interpreted as a bribe. All charitable donations of any kind and of any value must (i) be pre-approved (in writing) by CEO or CFO, (ii) be transparently and accurately recorded in the Company's books and records, and (iii) must be accompanied by reasonable detail describing the circumstances in which the donation was made.

In deciding whether to approve a charitable donation, the CEO or CFO must examine all circumstances related to the donation in consideration of all elements of the definition of bribery as detailed above, including but not limited to (i) the history and/or legitimacy of the charity or charitable cause, (ii) the motivation for giving the charitable donation, (iii) the likely end to which to charitable donation will be put, directed or channelled, and (iv) any known or suspected connections or affiliations between the charity or charitable cause and a Public Official or a relative of a Public Official. Should uncertainty arise regarding whether a charitable donation would violate this policy, the Compliance Officer should be consulted.

Where possible, charitable donations to be made in kind are to be preferred and/or prioritized over donations to be made in cash or other monetary form. For certainty, charitable donations for the purposes of this Section include (i) sponsorships, (ii) bursaries, (iii) scholarships, (iv) in-kind work or labour services (e.g., drilling water wells, assisting in road construction), and (v) all other similar donations, payments, educational programs or work programs; provided that in each case we are satisfied that the donation, payment, or program benefits the local community as a whole rather than individual Public Officials or their families.

9.0 Pre-Approval of Payments to Public Entities/Officials and Reporting

The Company must maintain an inventory of public entities and officials with which the Company transacts along with a description of the types of transactions incurred with each.

On an annual basis, a list of those public entities or officials with which the Company transacts in the normal course of business must be approved by the CEO and CFO and reported to the Board. Transaction in the normal course of business are meant to be those that relate to an approved contract payment or purchase invoice, regulated tax calculations, canon or license fees or similar transactions.

Transactions/contracts with public entities or officials that are not in the normal course of business must be approved by the CEO and CFO via the AFE approval process. Sub-delegation to the COO and/or relevant department managers for transactions within an approved contract/AFE is permitted. Transactions/contracts are not considered normal course of business if the entity and the type of transaction with such entity has not been included in the annual pre-approval list or if the contract allows

for in kind payments. In kind payments, pre-arranged or not, must be properly documented, monitored, approved and reported on a regular basis to the CEO and CFO and at minimum, annually to the BOD.

At minimum, annual, but preferably quarterly reporting of payments to each public entity or official with a description of the nature of the transactions incurred to the Audit Committee and/or Board is required. Any transaction/relationship for which the Board determines as inappropriate must be terminated.

10.0 Employees and Contractors

Employees and independent contractors retained by the Company and identified by the Compliance Officer as requiring training in order to comply with this Policy will be expected, as part of their normal duties, to do the following:

- (a) Closely familiarize themselves with this Policy and related policies; and
- (b) Participate in any related training provided by the Company.

The Company will provide training on this Policy and its associated anti-corruption, anti-bribery, anti-money laundering and anti-terrorism financing standards, procedures and preventative measures to its officers and employees as the Compliance Officer determines is necessary and appropriate under the circumstances. The nature and frequency of the training will vary depending on the role of the individual and the likelihood that such person or entity will confront corruption issues. Except where expressly exempted by the Compliance Officer, training regarding this Policy and its principles, policies and procedures will be a requirement for any person with managerial responsibilities or authority within the Company.

The employment or retention of individuals related to, dependent on, recommended by or requested by Public Officials, agents or other Third Parties can lead to a violation of this Policy and anti-corruption/conflict of interest laws. The Company will therefore take reasonable steps within its power to ensure that it, and Third Parties acting on its behalf, do not hire or retain such employees and candidates without prudent due diligence being conducted on such employees and candidates in consideration of the principles, policies and prohibitions outlined in this Policy.

11.0 Third Parties and/or Agents

It is a violation of this Policy to make any corrupt payments to Public Officials through Third Parties or to make any payment to a third party where there is any reason to believe that all or a portion of the payment will contribute to a bribe or other corrupt act involving a Public Official.

Prior to the Company retaining, or entering into an agreement with, a Third Party (including agents and intermediaries), the Manager proposing the retainer shall satisfy themselves regarding the propriety of the retainer in review and in consideration of the principles, policies and prohibitions outlined in this policy, including but not limited to those considerations discussed in this Section and Risk and Assessment Section below.

In addition to the immediately aforesaid review and consideration, the Company will also take measures reasonably within its power to ensure that:

- (a) all payments made to a Third Party represents no more than the amount outlined in the agreement with the Third Party and are an appropriate remuneration for legitimate services rendered by such Third Party;
- (b) no part of any such payments are passed on by the Third Party as a bribe or are otherwise in contravention of applicable laws or this Policy;
- (c) it maintains a record of the names and contract terms for all Third Parties who are retained by it in connection with transactions with Public Officials; and

- (d) it continues to monitor on an ongoing basis all Third Parties engaged by the Company for compliance with the principles, policies and prohibitions outlined by this Policy, including but not limited to the exercise of audits rights included in Third Party agreements.

The Company will in all instances (i) inform Third Parties of its commitment to complying with anti-corruption laws and this Policy, (ii) take measures reasonably within its power to ensure that its business partners and other Third Parties comply with anti-corruption laws and practices, and (iii) seek reciprocal compliance commitments from such Third Parties. Any violation or suspected violation by such business partners, Third Parties or their representatives related to services performed for the Company or engagements in which the Company has an interest must be immediately reported to the Manager or the Compliance Officer (in writing).

Notwithstanding anything to the contrary in this Policy, the Company shall not retain a Third Party without the prior written approval (in writing) of the Compliance Officer where (i) the retainer is of an annualized value in excess of US\$15,000.00, or (ii) the aggregate value of two or more retainers involving the same Third Party or its affiliates is of a value in excess of US\$50,000.00 over any one year period.

12.0 Risk Assessment and Due Diligence

Risk assessments in respect of this Policy will be conducted periodically as prudent to determine the level of controls necessary for a particular aspect of the Company's operations, including in relation to import/export matters and all procurement, tender and bidding processes. Records and documentation must be kept of each risk assessment as part of the system of internal controls and record keeping. The Company will also conduct appropriate due diligence to ensure compliance with this Policy.

While the following list is not exhaustive, and while warning signs will vary by the nature of the transaction, expense/payment request, geographical market or business line, common warning signs that should be considered as part of any due diligence include:

- (a) that a Third Party has current business, family or some other close personal relationship with a Public Official, has recently been a Public Official or is qualified only on the basis of his influence over a Public Official;
- (b) a Third Party refuses to agree to reasonable anti-corruption contractual terms, uses a shell company or other unorthodox corporate structure, insists on unusual or suspicious contracting procedures, refuses to divulge the identity of its owners, or requests that its agreement be backdated or altered in some way to falsify information;
- (c) a Third Party has a poor reputation or has faced allegations of bribes, kickbacks, fraud or other wrongdoing or has poor or non-existent third party references;
- (d) a Public Official recommends or insists on the use of a certain business partner or Third Party;
- (e) a Third Party does not have an office, staff or qualifications adequate to perform the required services;
- (f) a Third Party requests unusual or excessive success based fees on commissions or requests large up-front payments; or
- (g) an expense/payment request by a Third Party is unusual, is not supported by adequate documentation, is unusually large or disproportionate to products to be acquired, does not match the terms of a governing agreement, involves the use of cash or an off-the-books account, is in a jurisdiction outside the country in which services are provided or to be provided, or is in a form not in accordance with local laws.

A review of national and international lists should be compared to the Company's list of vendors and employees at least annually and as part of the due diligence process in the hiring of new employees or

engagement of a new vendor/contractor. The Compliance Officer should notify the CFO of any existing employees or vendors appearing on such lists. The appropriate action to be taken should be approved by the CFO and reported to the Board. Any hire or engagement of new employees or vendors/contractors on such lists must be approved by the Board. In all cases, documentation of all issues, actions, etc. must be maintained.

Contracts with vendors/contracts must include a clause declaring compliance with the CFPOA and related training to its employees and a right by the Company to audit or require an audit in respect of their compliance.

In the early stages of any potential merger, acquisition or joint venture, the Compliance Officer will review and assess the appropriate level of due diligence requirements in order to ensure compliance with this Policy is adequately considered and addressed in due diligence and integration efforts. Records and documentation must be kept of all such due diligence as part of the system of internal controls and record keeping.

13.0 Reporting and Escalation

You must immediately report in accordance with the procedures set out in this Policy when you:

- (a) Uncover an instance of bribery;
- (b) Suspect that a bribe has been, or is in the process of being, paid or received or merely discussed; or
- (c) Receive or otherwise become aware of information which suggests that a bribe is in the process of being paid or received or merely discussed.

When you become aware of or suspect that bribery or a breach of this Policy has taken place, you must immediately report that information (in writing) to the Compliance Officer.

All reports will be treated in confidence. Every effort will be made to provide anonymity if it is requested, consistent with legal requirements to report to appropriate legal authorities or comply with investigations. Once you have reported a suspicion or concern to the Compliance Officer, the matter should not be discussed with any person other than those responsible for investigating it until otherwise notified or the information is made public.

You are entitled to raise concerns about the violations or potential violations of this Policy in confidence and without risk of reprisal. Retaliation by anyone as a consequence of the Company personnel or Third Parties making a good faith report of a possible violation of the law or this Policy is strictly prohibited. You will not suffer demotion, penalty or other adverse consequences for refusing to pay bribes even if such refusal may result in the Company losing business.

If you are asked by a Public Official or any individual to provide something of value in return for influencing an official act, inducing a decision to obtain, retain or direct business from or to any person or securing any improper advantage or special treatment, you must:

- (i) decline or state that it is not within your authority to accommodate the Public Official or individual; and
- (ii) immediately report the incident to your Country Manager and the Compliance Officer (in writing).

If you become concerned that a Public Official is not operating within the scope of his or her duties, report it to the Compliance Officer. Protect yourself in any further dealings from allegations that you have offered improper consideration by bringing a witness to subsequent conversations.

The Company has also adopted a Whistleblower Policy which provides procedures for reporting questionable business conduct, including a procedure for anonymous reporting. A copy of the Whistleblower Policy may be requested at any time from the Compliance Officer.

14.0 Quarterly Reporting

All payments, contracts, donations with public entities and officials (regardless of purpose) are to be reported by the CFO to the CEO and Board of Directors quarterly.

14.1 Annual Reporting

Annually, the Compliance Officer must prepare for review by the CFO and presentation to the CEO and the Board of Directors, a record and report of the following:

- (1) All gifts, meals, travel and entertainment (outlined in Section 6.0) of any value provided by the Company or its representatives to Public Officials in each country over which they have managerial oversight, including reasonable detail describing the circumstances in which the gift, meal, travel or entertainment was provided.
- (2) All payments of business expenses or other expenditures (outlined in Section 7.0) of Public Officials of any value made by the Company or its representatives in each country over which they have managerial oversight, including reasonable detail describing the circumstances in which each such payment was made.
- (3) All charitable donations (outlined in Section 8.0) of any value made by the Company or its representatives in each country over which they have managerial oversight, including reasonable detail describing the circumstances in which each such donation was made.

Annually all payments, contracts, donations with public entities and officials (regardless of purpose) are to be reported by the CFO to the Board of Directors.

15.0 Internal Controls and Record Keeping

As part of the Company's system of record keeping, the Company will maintain an effective system of internal controls to counter violations of this Policy, including financial and organizational checks and balances over the Company's accounting practices and other business processes.

The Company must make and keep books, records, and accounts, which, in reasonable detail, transparently, accurately and fairly reflect the transactions and dispositions of the Company's assets. To adequately provide transparent detail, separate general ledger accounts must be maintained for each type of cost for which payments to public entities are incurred (e.g. charges for security provided by the army must be charged to a separate general ledger account than security charges provided by non-public entities). All transactions must be executed in accordance with management's general or specific authorizations. Transactions must be recorded as necessary to permit preparation of financial statements in conformity with IFRS or local GAAP and to maintain accountability for assets. The internal controls must ensure that access to assets is permitted only in accordance with management's general or specific authorization and that recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. To the extent possible, all business partners of the Company should have in place internal controls and procedures that fit these criteria and enhance compliance with this Policy, and the Company should encourage these practices.

The Company will maintain available for inspection accurate books and records, in reasonable detail, that transparently, accurately and fairly document all financial transactions, risk assessments and due diligence. For certainty, no person subject to this Policy shall:

- (a) Establish or maintain accounts which do not appear in any of the books and records that they are required to keep in accordance with applicable accounting and auditing standards;
- (b) Make transactions that are not recorded in those books and records or that are inadequately identified in them;
- (c) Record non-existent expenditures in those books and records;
- (d) Enter liabilities with incorrect identification of their object in those books and records;
- (e) Knowingly use false documents; or
- (f) Intentionally destroy accounting books and records earlier than permitted by law.

To ensure the effectiveness of internal controls, business and finance personnel of the Company will review transactions and expense/payment requests for warning signs that signal an inadequate commercial basis or present excessive risks.

On a periodic basis, at least annually, testing of compliance with this Policy should be performed with results reported to the CFO with any issues identified being reported to the CEO and the Board of Directors.

16.0 Fraud Risk Assessment

On a periodic basis, at least annually, the Company should perform a fraud risk assessment to identify any risks and gaps related to this Policy.

The risk assessment should consider the following (this list is not meant to be prescriptive and is not exhaustive):

- (1) Create an inventory of existing fraud risks, management processes, systems and controls;
- (2) Identify potential fraud schemes, scenarios, taking into consideration the likelihood and significance of the risks and linking to the controls in place;
- (3) Evaluate and test the design and operating effectiveness of applicable controls;
- (4) Integrate fraud risk management into existing policies, processes and controls and create new ones where necessary; and
- (5) Establish a standardized program for detecting and responding to allegations or suspicions of fraud.

The results of the risk assessment should be reviewed with the CFO and presented to the CEO and the Board of Directors.

POLICY REVIEW

The Board, or a committee of the Board as so designated by the Board, will annually review and reassess the adequacy of this policy.

REVISION HISTORY:

Revision	Date	Description of changes	Requested By
0	10 June 15	Initial Release	

SCHEDULE A

ANNUAL CERTIFICATION - ANTI-CORRUPTION POLICY

This will certify that I have received, recently read and understand the Anti-Corruption Policy (the "Policy") of Continental Gold Inc. (the "Company").

I hereby declare that I am responsible for understanding, complying with and implementing the Policy as it applies to my position and area of responsibility. I understand that I must comply with the Policy and the terms of my [employment or consulting arrangement] with the Company.

I confirm that for the period from January 1, _____ to December 31, _____, I have been, and am currently, in compliance with the Policy, except as noted below.

Name

Title

Signature

Date