



## **MEXICAN GOLD CORP.**

### **CODE OF BUSINESS CONDUCT AND ETHICS**

Mexican Gold Corp. (including its subsidiary and controlled entities, the "**Corporation**") is committed to a culture of honesty, integrity and accountability and strives to operate its business in accordance with the highest ethical standards and applicable laws, rules and regulations. This Code of Business Conduct and Ethics (the "**Code**") applies to all directors, officers and employees of the Corporation and, where applicable, all persons under contract with the Corporation and outlines the ethical principles that should guide such individuals in the performance of their duties. For the purpose of this Code, any reference to "employees" includes any director, officer or employee of the Corporation or, where applicable, consultants and contractors of the Corporation.

Employees of the Corporation must not only comply with applicable laws, rules and regulations but also must engage in and promote honest and ethical conduct and abide by the policies and procedures that govern the conduct of the Corporation's business. The responsibilities of each employee include helping to create and maintain a culture of high ethical standards and commitment to compliance, and, in the case of directors and officers, maintaining a work environment that encourages employees to raise concerns to the attention of management and promptly addressing employee compliance concerns.

The Code is not meant to be a complete list of all legal and ethical obligations of the employees of the Corporation. The Corporation provides this Code to its employees to offer guidance in properly recognizing and resolving the legal and ethical issues that they may encounter while conducting the Corporation's business. Should an employee have a question about the application of any rule or about the best course of action in a particular situation, the matter should be discussed with the Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") or the chair (the "**Chair**") of the audit committee (the "**Audit Committee**") of the board of directors of the Corporation (the "**Board**"). Management, as required, should seek guidance from the Chair of the Audit Committee who will consult with the Audit Committee and, as appropriate, with outside legal counsel and other expert advisors as deemed necessary.

It is the responsibility of each employee to become familiar with the principles set out in this Code and to integrate them into every aspect of the business of the Corporation.

The Board has endorsed this Code and the CEO or the CFO will ensure that a copy of this Code is delivered to each employee of the Corporation. Each employee is required to sign a certification in the form attached as Schedule "A" on an annual basis or as otherwise determined by the Chair of the Audit Committee.

## 1. Conflicts of Interest

Each Employee will act honestly, ethically, in good faith and in the best interests of the Corporation and its shareholders by avoiding conflicts of interest in his or her personal and professional relationships. A conflict of interest arises when the personal interests or activities of an employee influence or have the potential to influence the exercise of his or her judgment in the performance of his or her duties or when the employee receives or may receive personal benefits as a result of the employee's position with the Corporation. Conflicts of interest and even the *appearance* of a conflict of interest may compromise the Corporation's reputation and must be avoided.

The Corporation respects its employees' right to privacy in their personal activities and financial affairs. It is the responsibility of each employee to ensure that his or her personal conduct complies with the following principles, which are not intended to address every potential conflict situation.

- (a) Employment or Affiliation with a Competitor, Supplier or Customer: Without the prior written consent of the Board and subject to all applicable laws, employees may not act as directors, officers, employees, consultants or agents of (i) an entity that directly competes with the Corporation in connection with its exploration and development of mineral resource properties or does business with the Corporation (such as customers, suppliers or business partners of the Corporation) or (ii) a government agency if such a position may create a conflict of interest. In addition, employees may not own, directly or indirectly, a beneficial interest in any of the entities referred to in paragraph (i) unless an employee is making an investment in securities that are listed on a national or international securities exchange and the total value of the investment is less than two per cent of the value of the class of securities involved and the amount of the investment is not so significant that it would affect the employee's business judgement on behalf of the Corporation.
- (b) Independent Business Ventures: Without the prior written consent of the Board and subject to all applicable laws, employees may not engage in independent business ventures or agree to perform services for other businesses if the activity interferes with an employee's devotion of time and effort to the conduct of the Corporation's business or otherwise affects his or her ability to work effectively.
- (c) Personal Benefits, Gifts, Bribes and Kickbacks: Employees may not use their position as an employee of the Corporation to derive or secure any personal, financial or other benefit for themselves or their relatives. An employee may not solicit and/or accept any gift or favour from any competitor, supplier or customer except to the extent customary and reasonable in amount and not in consideration for any improper action by the recipient. The offering or accepting of bribes, payoffs or kickbacks to or from persons or entities, including public officials and political parties, in order to directly or indirectly obtain an advantage in a commercial transaction or business decision are strictly prohibited.
- (d) Reporting Conflict: Each employee is required to promptly disclose any actual or potential conflict of interest, including the underlying facts, to the Corporation. Any transaction, relationship or interest that reasonably could be expected to give rise to a conflict of interest must be reported. Employees must report any such interest to the CEO or CFO. Actual or potential conflicts of interest involving a director or officer should be disclosed directly to the Chair of the Audit Committee.

Although the principles above refer only to employees of the Corporation, employees must also exercise care to avoid actual or potential conflicts of interest that may arise because of the activities of their immediate family members and other members of their household.

Employees are required to disclose all positions they hold on the board of directors or other governing body or a committee of any other organizations in the Conflict of Interest Disclosure Statement in the form attached as Schedule "B" to this Code.

## **2. Protection and Proper Use of Corporate Assets**

All employees of the Corporation are expected to protect the Corporation's assets and ensure they are used for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Corporation's business and profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

The assets of the Corporation include all propriety information (such as intellectual property (including trade secrets, trademarks and copyright), business, marketing and service plans, designs, databases, records, salary information, pricing, acquisition and divestiture opportunities, innovations, research and development information, supplier information, any unpublished financial or sales data and reports and any information that suppliers or customers have entrusted with the Corporation), equipment, office supplies, hardware, software and time. Such assets may not be used for personal benefit, nor may they be sold, borrowed or given away without proper authorization. The Corporation's assets should not be taken out of the Corporation's facilities unless necessary and authorized in connection with work for the Corporation. Occasional personal use of certain corporate resources (e.g. computer, fax, e-mail) is acceptable where the interests of the Corporation are not adversely affected. However, employees are expected to consult the CEO or CFO for approval if in doubt.

The misappropriation of the Corporation's assets and the taking of the Corporation's property without permission are both breaches of the employee's duty to the Corporation and may be an act of fraud against the Corporation, which could result in dismissal as well as civil or even criminal penalties. In addition, carelessness or waste of the Corporation's assets may also be a breach of the employee's duty to the Corporation and could result in dismissal.

Each employee is to promptly return all proprietary information of the Corporation to the Corporation promptly after his or her employment or appointment ceases or contract is terminated, or at any time that the Corporation requests.

## **3. Accuracy of Books and Records**

All of the Corporation's books, records, accounts and financial statements must be maintained in detail, must appropriately reflect the Corporation's transactions and must conform both to applicable legal and accounting requirements and the Corporation's system of internal controls.

Unrecorded or "off the books" funds or assets should not be maintained under any circumstances. All business transactions must be properly authorized and must be supported by accurate documentation in sufficient detail and recorded properly. No information may be concealed from the auditors, the Audit Committee or the Board. In addition, it is unlawful to fraudulently influence, coerce, manipulate or mislead any independent public or certified accountant who is auditing the Corporation's financial statements. The Corporation must comply with applicable legal and regulatory requirements that relate to document and record retention and disposition.

#### **4. Use of E-mail, Internet, Telephones and Other Communication Services**

E-mail, internet, telephones and other communication services are provided to help employees carry out their responsibilities. Incidental and occasional personal use is permitted, but use for personal gain or any improper purpose is not. Employees may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. Employees must be also vigilant to ensure that the network security is maintained. "Flooding" the Corporation's systems with junk mail and trivia hampers the ability of the systems to handle legitimate corporate business and is prohibited.

The Corporation's email system, including the employees' e-mail addresses, messages (such as emails and voice mails) and computer information, are property of the Corporation. Unless prohibited by law, the Corporation reserves the right to access, monitor and disclose this information as necessary for business purposes and employees should have no expectations of privacy when using these resources. Employees should use good judgment, and should not access, send messages or store any information that he or she would not want to be seen or heard by other individuals.

Unless specifically authorized by the Corporation, employees are strictly prohibited from commenting on or discussing the Corporation and its business, including information pertaining to its employees, customers, products and services, suppliers, competitors, performance or financial results on any social media sites (including Facebook, Twitter and Youtube) or internet chat room, blog, newsgroup or other online fora.

#### **5. Discrimination and Harassment Free Environment**

The Corporation has zero tolerance for workplace discrimination and harassment. All employees must ensure that the Corporation remains safe and respectful environments, free of discrimination and harassment where high value is placed on equity, fairness and dignity. Harassment on the basis of race, gender, sexual orientation, color, national or ethnic origin, religion, marital status, family status, citizenship status, veteran status, age, disability or any other status protected by law is prohibited. Harassment generally means offensive verbal or physical conduct that singles out a person to the detriment or objection of that person. Harassment covers a wide range of conduct, from direct requests of a sexual nature to insults, offensive jokes or slurs, which results in an inhospitable work environment. Harassment may occur in a variety of ways and may, in some circumstances, be unintentional. Regardless of intent, such conduct is prohibited and may constitute a violation of human rights legislation.

No one may harass another employee, customer, supplier, or any other person while doing business, whether on the Corporation's premises or elsewhere.

#### **6. Safe Working Conditions**

The Corporation complies with all applicable health and safety laws and regulations as part of its commitment to providing its employees with a safe and healthy work environment. Employees have a responsibility to maintain this work environment. In this regard, each employee must:

- (a) comply strictly with the letter and spirit of applicable occupational, health and safety laws and the public policies they represent;
- (b) follow work instructions or procedures on health and safety laws;

- (c) not engage in illegal or dangerous behaviours or be under the influence of alcohol or illegal drugs while conducting the business of the Corporation;
- (d) not engage in acts or threats of violence, acts of intimidation or hostility towards another person or group of persons; and
- (e) not possess or use weapons or firearms or any type of combustible materials in the Corporation's facilities or at Corporation-sponsored functions unless he or she is authorized by the Corporation or the law to do so.

Each employee must promptly report to his or her supervisor, the CEO, CFO or the Chair of the Audit Committee any accident, injury or unsafe equipment, practices, conditions, violent behaviour or weapons possession.

## **7. Media, Public and Governmental Inquiries**

Only the CEO, CFO and Chair of the Board are trained and authorized as spokespersons to release information to the public. When members of the media, financial analysts or government authorities contact the Corporation to request information, the response can have great implications, including effects on the price of the Corporation's securities and its ability to compete. In addition, the Corporation must comply with the requirements of securities regulators and, when applicable, stock exchanges about how and when the Corporation discloses information.

If an employee receives a request for information from outside the Corporation and he or she has not been specifically authorized to speak on behalf of the Corporation, he or she must forward it to the CFO or, to the CEO if the CFO is unavailable.

On the subject of media, public and governmental inquiries, employees should also consult the Corporation's Disclosure Policy.

## **8. Disclosure**

It is the Corporation's policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws, rules and regulations in all reports and documents that the Corporation files with, or submits to, the Canadian securities regulators and in all other public communications made by the Corporation. The Corporation's management have the general responsibility for preparing such filings and such other communications and shall ensure that such filings and communications comply with all applicable laws, rules and regulations. Employees must provide all necessary information to management when requested and must inform management if they become aware that information in any such filing or communication was untrue or misleading at the time such filing or communication was made or if they have information that would affect any filings or communications to be made in the future.

On the subject of disclosure, employees should also consult the Corporation's Disclosure Policy.

## **9. Corporate Opportunities**

Employees owe a duty to the Corporation to advance its legitimate interests when an opportunity to do so arises. In this regard, unless it is first offered to the Corporation and the Corporation decides not to pursue it, all employees are prohibited from taking business ventures or opportunities for themselves that

are learned about during the course of their employment, appointment or contract with the Corporation or are developed through the use of the Corporation's assets or position in the Corporation.

#### **10. Confidentiality of Corporate Information**

During the normal course of business, employees may have access to, among other things, non-public information regarding the Corporation's customers, suppliers, operations, strategic plans, financial affairs, employees and trade secrets. This information is a key corporate asset and every employee has an obligation to protect it and keep it in the strictest confidence, except when disclosure is explicitly authorized pursuant to the Corporation's disclosure policy or when disclosure is legally required. The unauthorized use or disclosure of the Corporation's confidential information could destroy its value and give unfair advantage to others. Care should be taken in disposing of documents containing confidential information, such as shredding documents, before discarding. Confidential information also includes any information relating to the Corporation's business and affairs that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Corporation's securities or any information a reasonable investor would consider important in making an investment decision. Employees must not use confidential information for their own advantage or profit.

An employee's obligation to protect the Corporation's confidential information exists whether or not the information is explicitly labelled as being confidential and the obligation continues even after leaving the employ of the Corporation.

#### **11. Fair Dealing**

The Corporation competes vigorously in its business dealings but is committed to practices that are fair and honest. In this regard, employees are expected to respect the rights of, and deal fairly with, the Corporation's employees, customers, suppliers, security holders, business partners, regulators and competitors. Moreover, the Corporation is committed to forging mutually beneficial relationships with all concerned stakeholders in relation to its projects and operations, and employees are expected to engage in forthright and sincere communication with concerned stakeholders with respect to the Corporation's projects and operations which have an impact upon such stakeholders' rights and interests. No employee may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair dealing practice.

#### **12. Compliance with Laws, Rules and Regulations**

The Corporation is subject to a number of laws, rules and regulations with respect to the conduct of its business. Employees are expected to maintain compliance with the letter and spirit of all laws governing the jurisdictions in which they perform their duties. If a local custom or practice conflicts with a policy in this Code, employees must comply with this Code. Compliance with the law does not comprise the Corporation's entire ethical responsibility; rather, it is a minimum, absolutely essential condition for performance of the Corporation's duties. Perceived pressure from managers, supervisors or others, or demands due to business conditions are not excuses for violating the law or this Code.

This Code does not purport to address all areas of law that employees might encounter in the day-to-day business of the Corporation. The following areas, however, should be specifically noted:

- (a) Privacy Laws: The Corporation is committed to maintaining the accuracy, confidentiality, security and privacy of the personal information of its customers, suppliers and employees. Employees who have access to personal information are

expected to support the Corporation's efforts to develop, implement and maintain procedures and policies designed to manage personal information.

- (b) Environmental Laws: Cognizant of its responsibility to the environment, the Corporation strives to conform with all applicable environmental laws and regulations and to promote the respect of the environment in its activities. Employees are expected to support the Corporation's efforts to develop, implement and maintain procedures and programs designed to protect and preserve the environment.
- (c) Securities Laws: The Corporation is committed to protecting securityholder investments and expects all employees to comply with the applicable reporting obligations and trading restrictions imposed by the Corporation, a securities commission or stock exchange. Employees who are in possession of material information about the Corporation must not trade in securities of the Corporation until such information is generally and publicly available. Providing inside information to others who then trade on it is also strictly prohibited.
- (d) Competition Laws: Competition laws are enacted to limit practices that are seen to impair the function of a free and open marketplace. A complete description of these laws is beyond the scope of this Code, however, they include: price fixing, bid rigging, price discrimination, allocation of markets and boycotting of certain suppliers or customers. Employees having regular dealings with customers and suppliers should become familiar with the laws applying to these practices, as non-compliance can result in severe penalties being imposed on both the Corporation and the individuals involved.

Employees should contact the CEO, CFO or the Chair of the Audit Committee for additional information concerning laws, rules and regulations applicable to employees or if he or she has any doubts as to the applicability of any law, the legality of an action or a conflict between the law and the Code.

### **13. Duty to Report**

Employees who know of or suspect a violation of this Code or of any applicable laws, rules or regulations by another employee have an obligation to immediately report this information to the CEO, CFO or the Chair of the Audit Committee. Inappropriate delay in reporting a suspected or discovered violation is itself a violation of this Code. All reported violations will be promptly investigated and treated confidentially to the extent possible. Employees are expected to cooperate fully in internal investigations of misconduct.

No one will be subject to retaliation because of a good faith report of suspected misconduct. Open communication of issues and concerns without fear of retribution or retaliation is vital to the successful implementation of this Code. Acts or threats of retaliation should be reported immediately. In order to facilitate the reporting of complaints on a confidential and/or anonymous basis, the Corporation has established a Whistleblower Policy with procedures for the receipt, retention and treatment of complaints regarding actual or apparent violations of the Corporation's policies (including this Code) and regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

On the subject of reporting violations of the Corporation's policies, employees should also consult the Corporation's Whistleblower Policy.

#### **14. Administration of the Code**

The Board is responsible for monitoring compliance with the Code, for regularly assessing its adequacy, for interpreting the Code in any particular situation and for approving any changes to the Code as is required from time to time. The Audit Committee may make recommendations to the Board to ensure that (i) this Code conforms to applicable law, (ii) this Code meets or exceeds industry standards, and (iii) any weakness in this Code or any other policy of the Corporation revealed through monitoring, auditing and reporting systems is eliminated or corrected.

Violations of the Code can have severe consequences and will result in the appropriate discipline being taken, including dismissal, required resignation or contract termination depending upon the circumstances. The Corporation will not excuse any violation of this Code by an employee even if the violation was specifically requested or directed by another employee.

The Audit Committee may grant a specific, limited waiver of any provision of this Code to employees if the Audit Committee determines, based on information that it deems credible and persuasive, that a limited waiver is appropriate under the specific circumstances. Each fact situation will be a separate case. Employees, other than directors and officers, may seek waivers from the CEO or CFO. Directors and officers may seek waivers from the Chair of the Audit Committee. The CFO will report to the Audit Committee at each Audit Committee meeting on all waivers granted by the CEO and CFO since the last meeting. The Chair of the Audit Committee will provide the Audit Committee with a quarterly report outlining all waivers that have been granted. Each employee should note that it is generally the Corporation's intention not to grant or permit waivers from the requirements of this Code. Amendments to and waivers of this Code of Ethics will be publicly disclosed as required by applicable laws, rules and regulations.

The Code is a statement of certain fundamental principles, policies and procedures that govern the employees in the conduct of the Corporation's business. It is not intended to and does not create or establish (i) any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity, (ii) any conditions of employment or (iii) an express or implied employment contract of any kind between an employee and the Corporation. In addition, all employees should understand that this Code does not modify their employment relationship, whether or not governed by a written contract.

The Corporation reserves the right to modify, suspend or revoke this Code and any and all policies, procedures, and programs in whole or in part, at any time. The Corporation also reserves the right to interpret and amend this Code and these policies in its sole discretion as it deems appropriate.

Approved by the Board on  
November 25, 2014

**SCHEDULE "A"**

**MEXICAN GOLD CORP.**

**CODE OF BUSINESS CONDUCT AND ETHICS – CERTIFICATION**

I understand that Mexican Gold Corp. (the "**Corporation**") is dedicated to conducting its business with ethics and integrity.

Consistent with this view, as an employee or service provider of the Corporation or its subsidiary, it is my responsibility to act in all respects consistent with the Corporation's Code of Business Conduct and Ethics (the "**Code**"), applicable policies and procedures and in compliance with applicable laws, rules and regulations.

I understand that I can contact the Chief Executive Officer ("**CEO**"), the Chief Financial officer ("**CFO**") or the Chair of the audit committee (the "**Audit Committee**") of the board of directors of the Corporation if I have any questions or concerns or believe that any violations have occurred, are occurring or may occur.

In accordance with the Code, I agree to report actual or potential violations of the Code to the CEO, CFO or the Chair of the Audit Committee. I understand that reports may be made anonymously.

I understand that failure to comply with the Code, other policies and procedures or applicable laws, rules and regulations may be grounds for disciplinary action up to and including termination of my employment or contract with the Corporation.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Position:

**Note: All directors, officers, employees and, where applicable, service providers of the Corporation must complete this Statement of Compliance or otherwise be bound by the Code as determined by the Corporation.**

Please detach, complete and sign this form, and forward it to the Chief Financial Officer of the Corporation promptly upon receiving a copy of the Code and on an annual basis thereafter or earlier if an update is required.

**SCHEDULE "B"**

**MEXICAN GOLD CORP.**

**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

I serve as a member of the board of directors or other governing body of the following entities:

Entity	Title

\_\_\_\_\_

Date

\_\_\_\_\_

Print Name

\_\_\_\_\_

Signature

**Note: All directors, officers, employees and, where applicable, service providers of the Corporation must complete this Conflict of Interest Disclosure Statement.**

Please detach, complete and sign this form, and forward it to the Chief Financial Officer of the Corporation promptly upon receiving a copy of the Code of Business Conduct and Ethics and on an annual basis thereafter or earlier if an update is required.