



ANTI-CORRUPTION POLICY

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Scope

This Anti-Corruption Policy (the "**Policy**") applies to employees, officers and directors (collectively, "**Regulus Representatives**") of Regulus Resources Inc. and its subsidiaries and affiliates (collectively, "**Regulus**"), and reflects the standards to which Regulus expects its partners, agents, consultants, contractors, contractual counterparties and any other third party who can act on behalf of Regulus (collectively, "**Agents**") to adhere when acting on Regulus' behalf.

Responsibility for this Policy

Regulus' Audit Committee has appointed the Chief Executive Officer, the President, and the Chief Financial Officer (collectively, the "**Executive Officers**") to oversee the administration of this Policy and to report directly to the Audit Committee, who will in turn report to the Board of Directors.

Contact information for the Executive Officers can be found on the company website (www.regulusresources.com) or through the Corporate Secretary, Megan Cameron-Jones at megan.cameron-jones@regulusresources.com.

Anti-Corruption Policy Statement

Regulus is committed to ensuring adherence to the highest legal and ethical standards. Regulus' reputation for acting responsibly plays a critical role in our success as a business. Accordingly, we strongly believe that Regulus has a responsibility to take an active stand against bribery and corruption.

Bribery is a criminal offence in many countries, including Canada, the United States, Peru and Argentina. Corrupt acts expose Regulus and Regulus Representatives to the risk of prosecution, fines, and imprisonment, as well as threatening Regulus' reputation. The directors and management of Regulus are committed to compliance with the anti-corruption laws of all countries and territories in which we operate.

The purpose of this Policy is to provide guidelines to encourage ethical behaviour in our business conduct and promote compliance with applicable anti-corruption legislation.

Key Concepts

General Overview

Do not engage in bribery or corruption.

If you are aware of, or hear rumours of, bribery, corruption or other payments that may be improper in the course of carrying out Regulus' business, you have an obligation to report them to an Executive Officer immediately. You may also raise any concern that you may have anonymously using the procedures set forth in Regulus' Whistleblower Policy.

If you receive a request for payment that you suspect may be improper:

- Do not make the payment;
- Advise that you are not authorized to make the payment on Regulus' behalf; and
- Advise an Executive Officer and consult regarding next steps.

When in doubt, contact an Executive Officer for further guidance.

What is Corruption and Bribery?

Corruption is the misuse of power by government officials for illegitimate private gain. Bribery is the offer, promise or provision of a reward, advantage or benefit of any kind to a person in a position of power to influence that person's views or conduct or to obtain an improper advantage. Bribery and corruption can take many forms, including the provision or acceptance of:

- Cash payments;
- Jobs or "consulting" relationships for an individual or his/her family;
- Commissions or kickbacks;
- Excessive gifts, entertainment or hospitality;
- Payment of non-business related or lavish travel expenses; or
- Provision of personal favours to an individual or his/her family.

Corruption and bribery are never acceptable business practices. Regulus Representatives are strictly prohibited from offering, paying, promising or authorizing any bribe, kickback or other thing of value to any government official or government employee, directly or indirectly through a third party or family member, to secure any contract, business, permit or other improper advantage for Regulus. Regulus expects its Agents to adhere to these same standards when acting on Regulus' behalf.

Compliance with Anti-Bribery Legislation Generally

Regulus Representatives should be aware that Regulus is subject to legislation in Canada, Peru, Argentina and other jurisdictions that prohibit corrupt practices in dealing with foreign governments. It is important that Regulus comply with all international and local anti-bribery and anti-corruption laws, even where the perception is that such standards are loosely enforced by local authorities. Regulus will conduct its business in compliance with applicable laws and requires all Regulus Representatives to avoid any activity that could implicate Regulus in any unlawful practice.

Compliance with Peruvian Legislation

In Peru, corruption is criminalized through Decree No. 635 of the Peruvian Penal Code, which covers attempted corruption, extortion, passive and active bribery, money laundering and bribery of foreign officials. The Corporate Anti-Corruption Act is expected to enter into force in July 2017, under which companies can be held directly liable for corruption offenses. The official procedure of accepting gifts and small courtesies is not specified in the Penal Code, which represents a risk for companies. Further, Peru's Penal Code does not explicitly criminalize facilitation payments.

Compliance with Argentine Legislation

In Argentina, the Law on Ethics of Public Service (No. 25188) sets forth duties, prohibitions and incompatibilities applicable, without exception, to all the persons holding a public position at all levels and hierarchies, in a permanent or transitory manner, by popular election, direct designation, by contest or by any other legal means, extending the application thereof to all State magistrates, officials and employees ("**Public Officials**").

Among other things, Public Officials may not receive presents, gifts or donations, whether they are goods, services or property, for the discharge of their duties.

In addition, the Argentine Criminal Code provides penalties for bribery, influence peddling, embezzlement of public funds and for illegal levying.

Compliance with Canadian Legislation

Prohibition against Bribery

In Canada, the *Corruption of Foreign Public Officials Act* (the "COFPOA") provides that every person commits an offence who, in order to obtain or retain an advantage in the course of business, directly or indirectly gives, offers or agrees to give or offer a loan, reward, advantage or benefit of any kind to a foreign public official or to any person for the benefit of a foreign public official:

- as consideration for an act or omission by the official in connection with the performance of the official's duties or functions; or
- 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.

The only exceptions to the foregoing are where the loan, reward, advantage or benefit:

- is permitted or required under the laws of the foreign state or public international organization for which the foreign public official performs duties or functions; or
- was made to pay the reasonable expenses incurred in good faith by or on behalf of the foreign public official that are directly related to:
 - the promotion, demonstration or explanation of the person's products and services, or
 - the execution or performance of a contract between the person and the foreign state for which the official performs duties or functions.

What is a "Foreign Public Official"?

The term "foreign public officials" is defined broadly in the COFPOA to include:

- a person who holds a legislative, administrative or judicial position of a foreign state;
- a person who performs public duties or functions for a foreign state, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the foreign state, or is performing such a duty or function; and
- an official or agent of a public international organization that is formed by two or more states or governments, or by two or more such public international organizations.

It is important to note that this definition encompasses officials in all branches and at all levels of government: federal, state or local. The definition should also be considered to include political parties and party officials and candidates for political office. A person does not cease to be a government official by purporting to act in a private capacity or by the fact that he or she serves without compensation. Below are just a few examples of government officials:

- Government ministers and their staff;
- Members of legislative bodies;
- Judges;
- Officials or employees of government departments and agencies, including customs, immigration, financial services, and other regulatory agencies;

- Police officers;
- All employees or officers of government-owned or controlled corporations;
- Mayors, councillors or other members of local government; and
- Employees of public international organizations such as the World Bank.

If you are not sure whether a particular person is a government official, please contact an Executive Officer for further guidance.

Payments to close relatives of government officials, such as spouses and children or other immediate family members, may be treated by enforcement authorities as direct payments to the official and, accordingly, may constitute violations of anti-corruption and anti-bribery laws. As a result, any business dealings with close relatives of government officials require careful scrutiny. Therefore, you must consult with an Executive Officer before entering into any transactions with such persons.

Compliance with Accounting Policies

Regulus Representatives must comply with Regulus' accounting regulations, policies, procedures and related controls. All accounts must properly describe and accurately reflect the transactions recorded and all assets, liabilities, revenues and expenses must be properly recorded and fully disclosed in Regulus' books. No secret or unrecorded funds or other assets are to be established or maintained. In this regard, in Canada, the COFPOA provides that every person commits an offence who, for the purpose of bribing a foreign public official in order to obtain or retain an advantage in the course of business or for the purpose of hiding that bribery:

- establishes or maintains 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;
- makes transactions that are not recorded in those books and records or that are inadequately identified in them;
- records non-existent expenditures in those books and records;
- enters liabilities with incorrect identification of their object in those books and records;
- knowingly uses false documents; or
- intentionally destroys accounting books and records earlier than permitted by law.

Facilitation Payments

Under the COFPOA, a "facilitation payment" is a payment that is made to expedite or secure the performance by a foreign public official of any act of a routine nature that is part of the official's duties or functions, including:

- the issuance of a permit, licence or other document to qualify a person to do business;
- the processing of official documents, such as visas and work permits;
- the provision of services normally offered to the public, such as mail pick-up and delivery, telecommunication services and power and water supply; and
- the provision of services normally provided as required, such as police protection, loading and unloading of cargo, the protection of perishable products or commodities from deterioration, or the scheduling of inspections related to contract performance or transit of goods.

An "act of a routine nature" does not include a decision to award new business or to continue business with a particular party, including a decision on the terms of that business, or encouraging another person to make any such decision.

Although "facilitation payments" may not be illegal under all anti-bribery and anti-corruption laws (including under the COFPOA as at the date hereof), Regulus' policy is to avoid such payments. If any Regulus Representative finds that adherence to this policy would cause a substantial, adverse effect on operations, that fact should be reported to an Executive Officer, and the Executive Officers will collectively determine whether an exception may lawfully be authorized. If the facilitating payment is made, such payment must be properly entered and identified on the books of Regulus and all appropriate disclosures made. In addition, any facilitation payment that is authorized by the Executive Officers shall be reported by an Executive Officer to the Audit Committee Chairman as soon as reasonably practicable thereafter, and the Audit Committee Chairman shall report such payment to the full Audit Committee at its next regularly scheduled meeting.

Penalties

Violation of anti-corruption legislation may result in substantial penalties to Regulus and to individuals. For instance, the COFPOA provides for imprisonment for a term of up to 14 years.

Gifts and Entertainment for Foreign Public Officials

The provision of entertainment or gifts for the purpose of obtaining or retaining business or improperly influencing some matter in favour of Regulus, may be considered to be a bribe and may result in violation of anti-bribery laws. Accordingly, Regulus prohibits offering or providing, directly or indirectly, any gift, gratuity, entertainment, meal, or other advantage or benefit of any kind to a foreign public official without the written pre-approval of an Executive Officer. See Regulus' Code of Conduct for our policies relating to the giving and receiving of gifts and entertainment in relation to persons other than foreign public officials.

Business Relationships with Agents

Due Diligence Requirements for Agents

No business relationship may be entered into with an Agent (i) without the pre-approval of an Executive Officer, and (ii) without providing the following information to an Executive Officer:

- the rationale for doing business with the Agent;
- the qualifications of the Agent;
- the financial arrangements and the basis for believing that the financial arrangements are reasonable; and
- information, as appropriate, regarding the Agent's character, reputation and history of conducting business in an ethical and legal manner that is consistent with this Policy.

All information provided to the Executive Officers should be documented and preserved.

Where appropriate, the Executive Officers will direct further due diligence on the Agent. The process and extent of due diligence to be performed depends on the circumstances and will be determined by one or more Executive Officers. After completing due diligence as appropriate, a written summary of the findings should be recorded. At a minimum, documentation obtained through due diligence should be preserved.

Agreements with Agents

Unless otherwise determined by an Executive Officer, agreements with Agents should be in writing and should describe the services to be performed, the fee basis, the amounts to be paid, and other material terms and conditions of the representation. Such written agreements should contain specific anti-corruption provisions in a form approved by an Executive Officer. At the Executive Officer's discretion, such contractual anti-corruption provisions may include some or all of the following:

- a provision requiring the Agent to comply fully with this Policy and all applicable laws, rules and regulations, including anti-corruption laws, when acting on Regulus' behalf;
- a provision affording Regulus appropriate monitoring and audit rights, including rights to access books and records of the Agent;
- a provision allowing Regulus to terminate the relationship in the event of non-compliance with any anti-corruption-related undertaking; and
- a provision requiring that, at the time the contract is executed, and whenever otherwise requested by Regulus, the Agent will sign a certification in a form that is acceptable to Regulus in respect of the foregoing matters.

Payments to Agents should never be made in cash, and should be made to the Agent's bank account in the country where the services are performed or where the Agent's offices are located unless there are reasons (acceptable to Regulus) for making the payment elsewhere.

"Red Flags" or Other Warning Signs

If, for any reason, Regulus Representatives have reason to suspect that an Agent is engaging in conduct that is potentially contrary to this Policy, no further payments should be made until an investigation can be conducted. While not exclusive, the following warnings or "red flags," which may be present before entering into or during the term of an agreement, are signs that an Agent might be engaged in inappropriate or illegal activity:

- the Agent has a history or reputation for bribes or other unlawful conduct;
- the Agent has family or other "special" relationships that could influence the decision of a foreign public official;
- there is a history or reputation of a disproportionate amount of corruption in the country where the Agent is being hired as compared to other countries in which Regulus does business, such as Canada;
- the Agent has little experience in the industry;
- unusual or excessive payment requests, such as requests for over-invoicing, up-front payments, ill-defined or last-minute payments, success fees, unusual commissions, or mid-stream compensation payments;
- requests for payments to an account in a country other than the country where the services are performed or where the Agent's offices are located;
- requests for payment to a third party, to a numbered account, or in cash or other untraceable funds;
- use of holding companies or other methods or parties to obscure ownership or participation of the Agent, without adequate business justification;
- any refusal or hesitancy by the Agent to disclose its owners, partners or principles, or to promise in writing to abide by Regulus' policies and relevant laws; and
- any refusal by the Agent to provide records and documents.

Compliance Certificates

As part of the effort to ensure compliance with this Policy, certain Regulus Representatives will be required to complete a compliance certificate certifying that they understand and have complied with this Policy, among other things. Further, Regulus Representatives will provide such further certification of compliance with the Policy as Regulus may request from time to time.

Questions

Regulus expects all personnel to take steps to prevent a violation of this Policy. This includes identifying and raising potential issues before they lead to problems, and seeking additional guidance when necessary. If you have any questions regarding this Policy, you are encouraged to speak to an Executive Officer.

Reports

Regulus values open and honest communication with its internal and external stakeholders. Regulus understands that even though reporting an observed breach of this Policy is a requirement, it is not always easy. Regulus encourages Regulus Representatives to raise their concerns in a number of ways, such as speaking with an Executive Officer or a member of the Audit Committee of Regulus' board of directors. Regulus Representatives may also raise any concern that they may have anonymously using the procedures set forth in Regulus' Whistleblower Policy.

The Executive Officers will determine the most appropriate method to investigate the substance of any report and ensure that there is appropriate monitoring of progress until the matter has been satisfactorily resolved. Reports made using the Whistleblower Policy will be addressed in accordance with the procedures set forth therein.

Waivers

The Audit Committee must approve any waiver of any of the provisions of this Policy for a Regulus Representative.

Violations

If there is found to be a violation of this Policy, appropriate corrective disciplinary action will be taken immediately. In the case of employees, this includes discipline up to and including termination without notice and for cause. In the case of Agents, this may include termination of a contract or such other measures as may be available at law.

Retaliation by anyone as a consequence of making a good faith report of a possible violation of the law or this Policy is strictly prohibited and will result in disciplinary action, up to and including termination without notice and for cause.