

MELIOR RESOURCES INC.
FOREIGN CORRUPT PRACTICES POLICY

1.0 Introduction

The Board of Directors of Melior Resources Inc. (“**Melior**”)¹ has determined that Melior should formalize its policy on compliance with the *Corruption of Foreign Public Officials Act* (Canada) (the “**Act**”).

2.0 Objectives of the Policy

The objective of this Foreign Corrupt Practices Policy (the “**Policy**”) is to provide a procedure to ensure that Melior including its directors, officers, employees, consultants and contractors conducts its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with the Act.

3.0 Application of the Policy

The Act applies to any individual or business acting in the course of “any business, profession, trade, calling, manufacture or undertaking of any kind carried on in Canada or elsewhere for profit”. Accordingly, this Policy applies to all directors, officers, employees, consultants and contractors of Melior for whom their scope of employment or consulting services involves dealing with any of the persons described in the Act. All consultants and contractors shall be provided access to a copy of this Policy via the website.

4.0 Communication of the Policy

Copies of this Policy are made available to directors, officers, employees, consultants and contractors, either directly or by posting of the Policy on the Melior website at www.meliorresources.com.

5.0 Compliance with the Policy

All directors, officers, employees, contractors and consultants of Melior, in discharging their duties, shall comply with the laws, regulations and rules of the jurisdiction where they carry out their business duties to Melior and all jurisdictions where Melior conducts its business activities and, in particular, with respect to foreign corrupt practices laws, regulations and rules. Where uncertainty or ambiguity exists, competent legal advice should be obtained. Reference is also made to the Guide to the Act that is available on the Department of Justice (Canada) website at www.justice.gc.ca.

6.0 Annual Certification

All directors and CFO shall provide annual certification of compliance with this Policy in the form approved by Melior from time to time.

The Chief Executive Officer of Melior shall be responsible for ensuring that annual certifications are obtained on or before the end of the first fiscal quarter of each year for all directors, officers, specified employees, specified consultants and specified contractors and for

¹ The Policy applies to Melior and each of its subsidiaries and, accordingly, references in the Policy to “Melior” refer to Melior and each of its subsidiaries.

providing written confirmation to the Board of Directors that such certifications have been obtained and summarizing the results thereof.

7.0 Prevention of Improper Payments

All directors, officers, employees, consultants and contractors will adhere to Melior's commitment to conduct its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it. Accordingly, Melior and its directors, officers, employees, consultants or contractors shall not:

7.1 *Bribes*

- (a) directly or indirectly, offer, give or agree to give or offer a loan, reward, advantage or benefit of any kind to a public official, political party, party official or political candidate as consideration for an act or omission by the recipient in connection with the performance of the recipient's duties or functions with the government; or to induce the official to use his or her position to influence any acts or decisions of such government for the purposes of obtaining or retaining an advantage in the course of business, including an act or decision to direct business;
- (b) agree to, or comply with any demands for a bribe made by a public official, political party, party official or political candidate;
- (c) however, a director, officer, employee, consultant or contractor of Melior will not have breached the terms of paragraph 7.1(a) of the Policy, if the loan, reward, advantage or benefit has been approved by the Board of Directors of Melior, provided such loan, reward, advantage or benefit is either:
 - (i) permitted or required under all applicable laws; or
 - (ii) made to pay the reasonable expenses incurred in good faith by or on behalf of the recipient that are directly related to the promotion, demonstration or explanation of the products or services of Melior, or the execution or performance of a contract between Melior and the government for which the recipient performs duties or functions;

7.2 *Kickbacks*

- (a) kickback any portion of a contract payment to employees of another contracting party or utilize other techniques, such as subcontracts, purchase orders or consulting agreements, to channel payment to public officials, to employees of another contracting party, or to their respective relatives or business associates;

7.3 *Extortion*

- (b) directly or indirectly demand or accept a bribe;

7.4 *Facilitation Payments*

- (c) make any facilitation payment, provided that, if the Chief Executive Officer of Melior deems necessary, a facilitation payment may be made in the following circumstances:

- (i) the payment falls strictly within the definition of facilitation payment under the Act;
- (ii) due diligence has been conducted to ensure both the payment and its amount are absolutely necessary to conduct Melior's business;
- (iii) the payment has been properly recorded in reasonable detail which accurately and fairly reflects the transaction and includes such information as the amount paid and the purpose of, and authorization for, such payment; and
- (iv) any such payment is reported on a quarterly basis to the Chairman of the Audit Committee;

7.4 *Political Contributions*

- (d) make any contributions or provide any financial support to political parties or candidates on behalf of Melior without prior approval of the Board of Directors. If the Board of Directors provides its approval, a political contribution may be made if:
 - (i) it is made in accordance with all applicable laws; and
 - (ii) all requirements for public disclosure of such contributions are fully complied with;

7.5 *Government Agents*

- (e) retain an agent to represent Melior's business interests in a particular country if such agent, or any of the agent's principals, staff, officers or key employees are government or public officials, political party officials, political candidates, persons related to the foregoing, or other persons who might assert illegal influence on Melior's behalf. Notwithstanding the foregoing, if the Chief Executive Officer deems it necessary, such an agent may be retained provided that:
 - (i) the reputation, background and past performance of the agent is properly researched and documented; and
 - (ii) the agent is retained pursuant to a written agreement specifically defining the agents duties, representing and warranting the absence of the relationship set out above, providing for immediate termination in the event of an improper payment and the right to audit expenses and invoices; and

7.6 *Employment of Public Officials*

- (f) employ any officer or employee of a government or any of its agencies or a government corporation, or any person acting in an official capacity for any such entity and including relatives of any such person. Notwithstanding the foregoing, if the Chief Executive Officer deems it necessary, such a person may be employed provided that:
 - (i) the employment is lawful in the country concerned;

- (ii) the services to be rendered by the person do not conflict with the official government duties of the person; and
- (iii) the services to be rendered by the person are such that the employment of the person does not conflict with section 7.1 of this Policy.

8.0 Management Responsibilities

Management of Melior shall develop, implement, monitor and maintain a system of internal controls to facilitate compliance with this Policy, as well as to foster a culture of integrity and maintain high ethical standards throughout Melior.

9.0 Reporting Violations

Any officer or employee that becomes aware of actions which could constitute a violation of this Policy is required to report it to their immediate supervisor. However, if such officer or employee is not comfortable discussing the matter with their immediate supervisor, or does not believe that the supervisor has dealt with the matter properly, then they should raise the matter with a senior officer of Melior or to the Chair of the Audit Committee as set out in the Whistleblower Policy. Officers and employees who raise genuine concerns will not be subject to retribution or disciplinary action.

10.0 Consequences of Non-Compliance with the Policy

Failure to comply with this Policy may result in severe consequences, which could include internal disciplinary action or termination of employment or consulting arrangements without notice. The violation of this Policy may also violate certain Canadian laws and if it appears that a director, officer or employee may have violated such laws then Melior may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

In addition, violation of this Policy may constitute a criminal offence under the Act and may expose Melior and/or a director, officer, employee, consultant or contractor to fines and/or imprisonment.

11.0 Review of the Policy

The Board of Directors of Melior shall review and evaluate this Policy on an annual basis to determine whether the Policy is effective in ensuring compliance by Melior, its directors, officers, employees, consultants and contractors with the Act.

12.0 Queries

If you have any questions about how this Policy should be followed in a particular case, please contact the Chief Executive Officer or a member of the Board of Directors.

Dated: August 26, 2014