

## ORVANA MINERALS CORP.

### ESTMA POLICY

#### **Introduction**

The Board of Directors (the “**Board**”) of Orvana Minerals Corp. has determined that Orvana Minerals Corp. and all of its subsidiaries (collectively, “**Orvana**” and each an “**Orvana Entity**”) should formalize its policy relating to the Extractive Sector Transparency Measures Act (this “**Policy**”). This Policy supplements Orvana’s existing policies, including the Code of Business Conduct and Ethics, as well as the Anti-Corruption Policy. It is important that Orvana and its subsidiaries respect all international and local transparency measures, anti-bribery and anti-corruption laws. The measures included in the Extractive Sector Transparency Measures Act (the “**Act**”) will enhance transparency and reporting obligations of payments to governments by Orvana, thereby assisting to deter and detect corruption.

#### **Objective of the Policy**

The objective of this Policy is to provide guidance and procedures to ensure that Orvana conducts business in an honest and ethical manner, including when making payments to Government (as hereinafter defined) and complies with reporting requirements of the Act.

Non-compliance to the reporting requirements of the Act could expose Orvana and its directors and officers to fines of up to CA\$ 250,000 per day per offence. In addition, non-compliance threatens Orvana's reputation, which plays a critical role in its success as a business.

#### **Application**

##### Payee Type

The reporting requirements under this Policy apply to payments made by each Orvana Entity to:

- Any government in Canada (including, but not limited to, federal, provincial, municipal and Aboriginal entities in Canada);
- Any foreign government (including, but not limited to, national, regional, local and Aboriginal entities);
- Any entity that is exercising or performing a power, duty or function of government, including, but not limited to, departments, ministries, trusts, boards, commissions, corporations, bodies or other authorities established to perform a power, duty or function of government; and
- Any intergovernmental entity.

(each of the above, individually and collectively, “**Government**”)

##### Payment Type

The reporting requirements under this policy apply to monetary payments and payments in kind<sup>1</sup> relating to commercial development in the following categories (each a “**Category**” and collectively “**Categories**”):

- Taxes, including, but not limited to, income and profit taxes, capital gains taxes, capital taxes, mining taxes, windfall profits taxes or resource surcharges (consumption taxes and personal income taxes are out of the scope of the Act);
- Royalties;
- Fees, including, but not limited to, rental fees, entry fees and regulatory charges as well as fees or other consideration for licences, permits or concessions;
- Production entitlements;
- Bonuses, including, but not limited to, signature, discovery and production bonuses;

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<sup>1</sup> The value of a payment in kind is the cost to Orvana (or if no cost, then fair value) of the goods or services provided.

- Dividends, other than dividends paid as ordinary shareholders; and
- Infrastructure improvement payments.

Pursuant to the Act, additional categories may be prescribed and, if they are, each Orvana Entity shall report monetary payments and payments in kind in such additional categories. Orvana should analyze the substance of the payments as opposed to the legal form in its analysis of which payments to report and which payment Category to report under.

#### Payment Amount

Each Orvana Entity must report Government payments in the same Category to the same Government payee<sup>2</sup> that meet or exceed CA \$100,000 (unless another amount is prescribed by regulation relating to the Act).

Payments are to be reported by project.<sup>3</sup>

#### **Documentation and Reporting**

Orvana Entities shall send all points of clarifications, questions regarding this Policy or the Act's requirements and best approaches to the CCO (as hereinafter defined) prior to satisfying the reporting requirements hereunder. Such questions may be diverse in nature and could relate to:

- Treatment of certain type of payments;
- Allocations of Government payments across the different payment Categories;
- Inclusion of Government vendors;
- Nature of payments (ordinary commercial transaction vs. Government payment);
- Attribution of payments (i.e. third party payments); and
- Clarification of definitions.

Each Orvana Entity shall take the steps necessary to fulfil the reporting requirements under this Policy, as agreed to with the CCO from time to time.

Orvana must file the annual consolidated report required under the Act with the federal Minister of Natural Resources and place the report on the Company's website within 150 days of Orvana's financial year end (the "**Annual Report**").

#### **Attestation**

The Annual Report must contain the attestation required by the Act. The Act has extended jurisdiction over the directors and officers of Canadian companies where such individuals can be liable for failure to exercise due diligence by failing in their duty to monitor the corporation's activities and preventing the occurrence of bribery and corruption.

#### **Internal Audit**

Orvana's internal auditor or a third party internal auditor will, from time to time as Orvana determines is necessary, review and provide guidance to ensure all information reported under the Act is true, accurate and complete in all material respects for the purpose of the Act.

#### **Internal Controls**

Management of each Orvana Entity shall maintain a system of internal controls to facilitate compliance with this Policy, as well as to foster a culture of truthfulness to ensure data integrity and compliance with the Act.

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<sup>2</sup> Same Government payees include all entities established to perform a power duty or function at a particular level of government

<sup>3</sup> A project has operational activities that are governed by a single contract, license, lease, concession or similar legal agreement and form the basis for payment liabilities with a Government. Nonetheless, if multiple such agreements are substantially interconnected, this shall be considered a project.

**Responsibility For This Policy**

The Board has appointed a Chief Compliance Officer (“**CCO**”) to oversee the administration of this Policy and report directly to the Audit Committee of the Board (“**Audit Committee**”). The CCO can be contacted at the following email address: nobribe@orvana.com.

**Retention of Records**

Orvana must keep records of its payments made in a financial year for a prescribed period or, if no period is prescribed, for a seven-year period that begins on the day in which the applicable Annual Report is filed.

**Publication of the Policy on Website**

This Policy will be posted on Orvana’s website at: [www.orvana.com](http://www.orvana.com).

Approved by:

Audit Committee, February 7, 2017  
Board of Directors, February 7, 2017