



## Canadian and U.S. Sanctions and Anti-Money Laundering Compliance Policy

### 1. Introduction

1.1 Lundin Gold Inc. and its subsidiaries (collectively, “**Lundin Gold**” or the “**Company**”) are committed to conducting their business in accordance with all applicable laws, rules and regulations and the highest ethical standards, and this commitment is embodied in Lundin Gold’s existing *Code of Business Conduct and Ethics* which was approved April 25, 2008 and amended August 11, 2014 (the “**Code of Business Conduct**”).

1.2 The purpose of this *Canadian and U.S. Sanctions and Anti-Money Laundering Compliance Policy* (the “**Policy**”) is to reiterate the Company’s commitment to compliance with applicable laws and regulations that (a) regulate business with countries, entities, and individuals that are subject to embargoes or sanctions; and (b) prohibit money laundering and terrorist financing (“**AML laws**”).

1.3 This Policy supplements the Code of Business Conduct and all applicable laws and provides guidelines for compliance with the Canadian and U.S. sanctions and AML laws by the Company and Company Personnel. All Company Personnel are expected to understand the basic elements of sanctions and AML laws and to comply with them at all times.

### 2. Application of this Policy

2.1 This Policy applies to all directors, officers and employees of the Company and extends to management services company personnel who provide management or administrative services to Lundin Gold and also applies to the Company’s consultants, contractors, agents and other third parties acting on the Company’s behalf, wherever located (collectively, “**Company Personnel**”).

2.2 Both the Canadian and the U.S. Governments have implemented and enforce laws that impose embargoes and other restrictions on trade with certain countries, individuals and entities. Because Lundin Gold is incorporated under Canadian laws, it must apply Canadian embargoes and restrictions in its commercial relationships. U.S. sanctions laws may also apply to the Company’s commercial relationships in several ways as follows:

- All of the Company’s transactions in or through the U.S. must comply with U.S. sanctions laws. A transaction in or through the U.S. will include transactions processed through a U.S. financial institution or the U.S. financial system (which includes transactions conducted using U.S. currency).
- Company Personnel who are U.S. persons are required to comply with U.S. sanctions laws and their failure to do so when acting on behalf of the Company may expose the Company to liability. A “U.S. person” includes an individual with U.S. citizenship (or dual Canada/U.S. citizen), a U.S. permanent resident and a person with prescribed “protected” status under U.S. laws and includes legal entities formed under U.S. laws.

2.3 The Company expects Company Personnel to comply with both Canadian and U.S. sanctions laws, as updated from time to time. Company Personnel who are responsible for international transactions on behalf of Lundin Gold must verify that the Company's commercial relationships do not violate current sanctions measures published by:

- the Government of Canada:  
<http://www.international.gc.ca/sanctions/countries-pays/index.aspx?lang=eng>
- the Government of the United States:  
<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>  
and <https://sanctionssearch.ofac.treas.gov/>

2.4 The Governments of Canada and the U.S. have AML laws to combat money laundering and to prevent the financing of terrorist activities. Because money launderers and terrorists frequently launder funds using nontraditional, underground and nonbanking means, the Company is committed to ensuring that its business activities do not become vehicles of crime by prohibiting activity contrary to AML laws, requiring the reporting of suspicious activity and setting expectations regarding due diligence in its commercial relationships.

2.5 Given the international nature of the Company's business dealings, this Policy applies to **all** Company Personnel and covers **all** transactions conducted by the Company and Company Personnel anywhere in the world.

### **3. Prohibited Conduct**

3.1 It is prohibited for Company Personnel to take any direct action that violates Canadian and U.S. sanctions.

3.2 It is also prohibited for Company Personnel to take any indirect action that violates Canadian and U.S. sanctions, or action to "facilitate" the actions of others (regardless of nationality) where those actions would violate or circumvent sanctions if taken by the Company or Company Personnel. Prohibited facilitation may include, for example:

- advising, assisting, approving, authorizing, supporting, referring, brokering, financing, or making decisions regarding transaction that in any way involves a sanctions target;
- referring or soliciting any purchase orders, requests for bids or similar business opportunities involving a sanctions target; or
- altering any of the Company's operating policies or procedures to permit any entity within the Company to engage in unauthorized transactions with sanctions targets.

3.3 It is also prohibited for any Company Personnel to knowingly engage in any transaction with the proceeds of an underlying crime, such as corruption, bribery, fraud, counterfeiting currency, smuggling, tax evasion and insider trading and market manipulation, with the intent to promote an unlawful activity or with knowledge that the transaction is designed to conceal its proceeds.

#### **4. Compliance Measures**

4.1 To further compliance by Company Personnel with this Policy, the Company requires all of its commercial relationships to be subject to due diligence and scrutiny. In this regard, the Company shall implement and maintain risk-based, due diligence procedures to be applied during the assessment of its commercial relationships, which shall include at a minimum the screening of transaction parties (initial and periodic) and an examination of transaction documents for 'red flags' or other indications of unusual conduct. Due diligence activities may be conducted internally by the Company or externally by retained third parties. In addition, the Company's contracts shall impose appropriate compliance provisions, including without limitation those pertaining to Canadian and U.S. sanctions and AML laws.

4.2 Records of any commercial relationships that may be subject to this Policy must be maintained in the Company's files for a period of five years. Such records must include all investigations and documentation arising from due diligence conducted pursuant to this Policy at the outset and during the course of the commercial relationship.

4.3 The Company shall cause audits to be conducted periodically of the Company's records located at the Company's offices and project sites and the offices of the Company's contractors to ensure that the requirements of this Policy and applicable procedures and guidelines are being met. Audits may be conducted internally by the Company or externally by retained third parties.

#### **5. Reporting and Discipline**

5.1 Violations of this Policy and Canadian and U.S. sanctions and AML laws may result in severe criminal and civil penalties imposed against the Company, as well as Company Personnel. Penalties may include substantial fines, loss of export/import privileges, debarment from government contracting and even terms of imprisonment for individuals. Moreover, the Company's business operations may be disrupted and its reputation with regulators, shareholders, financiers, suppliers, customers and the general public may be damaged.

5.2 Any Company Personnel who becomes aware of any commercial relationship or transaction that may contravene any applicable law or this Policy must report such contravention to the Chief Financial Officer, to the Chair of Lundin Gold's Audit Committee, or on a confidential and anonymous basis under Lundin Gold's Whistleblower Policy (*the Policy and Procedures for the Receipt, Retention and Treatment of Complaints Regarding Accounting or Auditing Matters*). Following receipt of any complaints, the Chief Financial Officer or Chair of the Audit Committee, as the case may be, will investigate each matter so reported and report to the Audit Committee if required.

5.3 This Policy will be strictly enforced, and violations will be dealt with immediately, including subjecting the Company Personnel to corrective and/or disciplinary action, including without limitation, termination of their engagement. In addition, any Company Personnel who knows of and fails to report to the Company potential violations of this Policy or who misleads investigators making inquiries into potential violations or who otherwise refuses to fully and honestly cooperate with investigators may be subject to corrective and/or disciplinary action, including without limitation, termination of their engagement.

5.4 The Company's Chief Financial Officer shall be responsible for administering and interpreting this Policy under the oversight of the Audit Committee. Any questions about the

permissibility or lawfulness of any transaction or activity should be directed promptly to the Chief Financial Officer *before the transaction or activity takes place.*

## **6. Training**

6.1 A copy of this Policy will be posted on the Company's website in both English and Spanish.

6.2 The Company shall establish and conduct a training program for appropriate new or existing Company Personnel on the compliance goals and requirements of this Policy, and will maintain records documenting the date and content of the training and the names of those trained.

## **7. Annual Affirmation**

7.1 This Policy will be circulated to and compliance affirmed by all Company Personnel on an annual basis and whenever changes are made. New Company Personnel will be provided with a copy of this Policy and be required to affirm compliance with it.

*Approved by the Board of Directors on May 10, 2017.*