



## **DS Gold Mining Code of Conduct**

DS Gold Mining (the "Company") has adopted this Code of Conduct for its Board of Directors and the members thereof (the "Directors"), for the officers of the Company ("Officers") and for employees of the Company and its subsidiaries ("Employees") to remind Directors, Officers and Employees of their ethical and legal obligations. This Code of Conduct summarizes the values, principles and practices that guide our business conduct. All Directors, Officers and Employees are expected to become familiar with this Code and to apply its guiding principles in the performance of their responsibilities.

### **Ethical Business Conduct**

Directors, Officers and Employees must always act honestly and with integrity in all business relationships with employees, customers, suppliers, competitors, potential business partners and governmental officials. Payments made by the Company must be necessary, lawful and properly documented and bribes, favours or "kickbacks" for the purpose of securing business transactions must never be offered or accepted.

Each Director and Officer must act so as to ensure that he or she meets the standard of care imposed under the *Business Corporations Act (United States)* which provides that, in exercising their powers and discharging their duties, every director and officer of a corporation shall:

- Act honestly and in good faith with a view to the best interests of the corporation.
- Exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition, each Director and Officer shall comply with the *Business Corporations Act (United States)*, the regulations thereunder, the Company's articles and by-laws and other laws applicable to him or her in his or her capacity as a director or officer.

In fulfilling these responsibilities, Directors, Officers and Employees shall:

- Strive to avoid any conflict of interest in their capacity as Directors or Officers. Should a conflict arise, a Director or Officer shall disclose to the Company and the Board of Directors, on a timely basis, any such conflict, whether resulting from business dealings with the Company, arising in connection with contractual relations to be entered into by the Company, or otherwise.
- Not use for their own benefit, or for the benefit of a third party, any property of the Company or any information they may obtain in their capacity as directors, officers or employees, unless they are duly authorized to do so by the Company. Directors, Officers and Employees shall take the steps necessary to ensure that any proprietary and confidential information of the Company is safeguarded.
- Always act in a manner that will not cause any prejudice or embarrassment to the Company.

- Meet the obligations and responsibilities required under applicable legislation. In particular, Directors, Officers and Employees will ensure that their acts are in compliance with applicable securities legislation.

In particular, Directors, Officers and Employees who are in possession of material information that has not been publicly disclosed by the Company must not trade in the securities of the Company nor provide such information to others or advise or “tip” others to trade in the securities of the Company. Material information is a fact or a change in the business, operations or capital of the Company that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Company’s securities. In other words, material information is information that a reasonable investor would consider to be important in reaching an investment decision. The disclosure of such information must be done only through an appropriate spokesperson of the Company, in an accurate, timely and fair manner, so as to avoid the risk or the appearance of, selective disclosure. Similar restrictions apply in respect of the use of material, non-public information of other corporations and business entities with whom the Company has dealings and of which a Director, Officer or Employee becomes aware. Full particulars of the Company’s policies on insider trading are attached hereto as Schedule A.

### **Additional Obligations of Directors**

In addition to the above-noted obligations, Directors in fulfilling their responsibilities shall also:

- Act in the best interests of all the Company's shareholders. If applicable, Directors shall also take into consideration the best interests of other stakeholders.
- Form an independent opinion about any issue that is submitted to them and act accordingly. Directors shall take all reasonable means to satisfy themselves that the decisions approved by the Board are well founded. In this regard, the Directors shall, where appropriate, seek advice from the Company's counsel and its auditor.

### **Record Keeping and Retention**

All financial statements and books, records and accounts of the Company must accurately reflect transactions and events, as well as conforming to legal requirements and accounting principles. Financial and accounting matters must be disclosed in a full, fair, accurate, timely and understandable manner in all reports filed with securities regulators or otherwise publicly released. Concerns or complaints concerning accounting or auditing issues should be directed to a member of the Audit Committee of the Board of Directors.

### **Compliance with the Code**

It is the responsibility of each Director and Officer to apply the principles set forth in this Code in a responsible manner. Failure to comply may result in disciplinary action up to and including termination of office or employment and legal proceedings, as warranted.

Employees are advised to consult with the Company’s Chief Executive Officer and Directors and Officers are advised to consult with the Company's counsel, should any questions arise with respect to a proposed course of action.

## Schedule "A"

### DS GOLD MINING

#### Insider Trading Policy

##### Introduction

The Company and its subsidiaries and their respective directors, officers, employees and others are subject to securities legislation with respect to the preservation of confidential information and certain restrictions on trading in the Company's securities. This Policy has been adopted to protect the Company and its directors, officers and employees. It is essential that everyone understands and complies with this Policy.

##### 1. Offences

- 1.1 It is an offence for any person in a "**special relationship**" with the Company to purchase or sell any securities of the Company with knowledge of material information that has not been publicly disclosed (herein referred to as "material non-public information").
- 1.2 It is an offence for the Company or any person in a "**special relationship**" with the Company to inform (or "tip") another person or company of material non-public information with respect to the Company, other than in the necessary course of business.

##### 2. Definitions

- 2.1 "**Material information**" is a fact or a change (or a decision by the board of directors or senior management to implement a change) in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of the Company's securities. In other words, material information is information that a reasonable investor would consider to be important in reaching an investment decision.
- 2.2 Persons in a "**special relationship**" with the Company (or as referred to herein, "**Deemed Insiders**") include:
  - (a) all directors, officers or employees of the Company;
  - (b) all directors or senior officers of a subsidiary of the Company;
  - (c) any person or company who beneficially owns or controls more than 10% of the common shares of the Company;
  - (d) every director or senior officer of a company referred to in (c);
  - (e) a person or company that is: (i) proposing to make a takeover bid for the shares of the Company; or (ii) proposing to become a party to a reorganization, amalgamation, merger, arrangement, or other business combination with the Company; or (iii) proposing to

acquire a substantial portion of the Company's property; (each of (i), (ii), or (iii) is herein referred to as a "Merger Partner"), and every director, officer or employee of a Merger Partner;

- (f) a person or company (for example, consultants, advisers, contractors) that is engaging or proposes to engage in any business or professional activity with or on behalf of the Company or a Merger Partner, and every director, officer or employee thereof;
- (g) a person or company that learns of material non-public information while the person or company was any of the persons or companies described in (a), (b), (c), (d), (e) or (f); and
- (h) a person or company that learns of material non-public information with respect to the Company (a "tippee") from any other person or company in a special relationship with the Company (a "tipper") where the tippee knows or ought reasonably to have known that the tipper is in a special relationship with the Company. This includes a "tippee" who is tipped by a previous "tippee".. The significance of clause (h) is that it creates an indefinite chain so that any person who either trades on or discloses material non-public information acquired directly or indirectly from someone "on the inside" will be subject to the criminal and/or civil liabilities described in Section 5 below.

### **3. Rules of the Company**

**In light of the restrictions set forth in Part 1 above and the severe penalties under Canadian securities laws for breaching such restrictions, the following rules will apply to all directors, officers and employees of the Company:**

#### ***3.1 Confidentiality of Non-public Information***

Non-public information relating to the Company is the property of the Company and the unauthorized disclosure of such information is forbidden. Care must be taken by all who have access to such information to prevent the unauthorized access to such information. Non-public information must not be discussed in situations where it could be overheard.

#### ***3.2 No Tipping***

No Deemed Insider shall communicate (or "tip") material non-public information with respect to the Company or any Merger Partner to any other person, including family members, neighbours, friends or acquaintances, nor shall any Deemed Insider make recommendations or express opinions on the basis of material non-public information for the purpose of or in the context of trading in the Company's securities.

#### ***3.3 No Trading on Material Non-public Information***

No Deemed Insider (including members of his or her immediate family) shall engage in any transaction involving a purchase or sale of the Company's securities with knowledge of any material non-public information concerning the Company. This restriction also

applies to trading in the securities of any Merger Partner with knowledge of any material non-public information concerning the Merger Partner.

This restriction applies during any period commencing with the date that the Deemed Insider first possesses material non-public information concerning the Company, and ending at the close of business on the trading day following the date of public disclosure by the Company of such information, or at such time as such non-public information no longer constitutes material information. The term “trading day” means a day on which the stock exchange on which the Company’s securities are traded (currently the Toronto Stock Exchange) is open for trading.

#### **4. Implementation and Compliance**

- 4.1 To help ensure that all directors, officers and employees of the Company are in a position to comply with the Rules of the Company set out in Section 3, and to avoid, through inadvertence, any breach or appearance of breach of such Rules, no director, officer or employee will trade in the Company’s securities until first advising the Chief Executive Officer of the Company of such person’s intention to trade and obtaining the Chief Executive Officer’s consent thereto. Such consent may be provided verbally by the Chief Executive Officer but shall be confirmed by the Chief Executive Officer as soon as possible thereafter in writing or in electronic form.
- 4.2 Each Deemed Insider has the individual responsibility to comply with this Policy and applicable securities laws. Obtaining the consent of the Chief Executive Officer as contemplated in Section 4.1 hereof will not relieve a person of their responsibility to comply with this Policy and applicable securities laws. A Deemed Insider may, from time to time, have to forego a proposed transaction in the Company’s securities even if he or she planned to complete the transaction before learning of the material non-public information.

#### **5. Penalties**

- 5.1 Failure to comply with this Policy may result in disciplinary action up to and including termination of office or employment with the Company and legal proceedings.
- 5.2 Trading on material non-public information and tipping are serious offences under Canadian provincial securities laws and persons contravening the rules are subject to:
- (a) fines of up to \$5 million or triple the profit made or loss avoided, whichever is greater;
  - (b) imprisonment for up to 5 years; and
  - (c) the responsibility to compensate the other party to the illegal transaction for damages.
- 5.3 Where a corporation contravenes the rules, each director or officer of that corporation who authorized, permitted or acquiesced in the offence is also guilty of an offence and is liable to a fine of up to \$5 million and/or imprisonment for up to 5 years.
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