



## ANDINA MINERALS INC.

### CODE OF BUSINESS CONDUCT AND ETHICS

#### I. PURPOSE OF THIS CODE

This Code of Business Conduct and Ethics (“Code”) is intended to document the principles of conduct and ethics to be followed by employees, officers and directors of Andina Minerals Inc. and its direct and indirect subsidiaries (collectively, “Andina” or the “Company”). Its purpose is to:

- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- Promote compliance with applicable governmental laws, rules and regulations;
- Promote the internal reporting to an appropriate person of violations of this Code;
- Promote accountability for adherence to this Code;
- Provide guidance to employees, officers and directors to help them recognize and deal with ethical issues;
- Provide mechanisms to report unethical conduct; and
- Help foster the Company’s culture of honesty and accountability.

Andina will expect all of its employees, officers and directors to comply at all times with the principles in this Code. Violations of this Code are grounds for disciplinary action up to and including immediate termination of employment. For the purpose of this Code, the Company’s Chief Risk Officer shall be the Chief Financial Officer of Andina Minerals Inc.

#### II. CONFLICTS OF INTEREST

Employees, officers and directors of Andina shall avoid situations where their personal interest could conflict with, or appear to conflict with, the interests of the Company.

Conflicts of interest arise where an individual’s position or responsibilities with the Company present an opportunity for personal gain apart from the normal, or contractually agreed, rewards of employment, to the detriment of the Company. They also arise where an employee’s, director’s or officer’s personal interests are inconsistent with those of the Company and create conflicting loyalties. Such conflicting loyalties can cause an employee, officer or director to give preference to personal interests in situations where corporate responsibilities should come first. Employees, officers and directors shall perform the responsibilities of their positions on the basis of what is in

the best interests of the Company and free from the influence of personal considerations and relationships.

In the event that any potential conflict of interest arises and the individual involved is an employee of the Company, the individual involved must immediately notify their immediate supervisor and the Company's Chief Risk Officer in writing and no further action may be taken unless authorized in writing by the individual's immediate supervisor and by the Company's Chief Risk Officer. If such individual is an officer or director of the Company, the Chairman of the Company as well as the Company's Chief Risk Officer must be immediately notified, or if the conflict is concerning the Chairman, the Chairman of the Corporation's Governance Committee and the Chief Risk Officer must be immediately notified in writing and no further action may be taken until authorized in writing by the Chairman and the Company's Chief Risk Officer or the Chairman of the Corporate Governance Committee and the Chief Risk Officer, as the case may be.

The requirement of freedom from conflict of interest applies with equal force to the spouse, children and other close relatives of each employee, officer and director. This policy applies to all employees, officers and directors and contractors of the Company with respect to all of the affairs of the Company.

While it is not possible to detail every situation where conflicts of interest may arise, the following policies cover the areas that have the greatest potential for conflict.

#### **A. Speculation in Company Securities and Use of Inside Information**

There are numerous laws regulating transactions in corporate securities and the securities industry. Violation of these laws may lead to civil and criminal actions against the individual and the company involved. All employees, officers and directors will take all steps to be in compliance with such laws and in order to do so will adhere to the Company's Policy on Disclosure and Insider Trading.

#### **B. Personal Financial Interest**

1. Employees, officers and directors should avoid any outside financial interests which might influence their corporate decisions or actions. An employee of the Company whose corporate duties bring them into business dealings with a business in which they or a member of their family has a financial interest or to which they or a member of their family has an indebtedness, or a business employing a relative or close friend, must immediately notify his or her immediate supervisor and the Company's Chief Risk Officer in writing, and this transaction may not be completed unless properly authorized in writing by both the employee's immediate supervisor and the Company's Chief Risk Officer, after full disclosure of the relationship in writing. An officer or director of the Company whose corporate duties bring them into business dealings with a business in which they or a member of their family has a financial interest or to which they or a member of their family has an indebtedness, or a business employing a relative or close friend, must immediately notify the Chairman of the Company as well as the Company's Chief Risk Officer and this transaction may not be completed unless properly authorized in writing by both the Chairman and the Company's Chief Risk Officer, after full disclosure of the relationship in writing.
2. An employee, officer or director may not perform work or services for an organization

doing or seeking to do business with the Company without appropriate prior written approval of such individual's immediate supervisor and the Company's Chief Risk Officer in the case of an employee, and of the Chairman and the Company's Chief Risk Officer in the case of an officer or director of the Company. An employee, officer or director may not be a director, officer, partner or consultant of an organization doing or seeking to do business with the Company, nor may they permit their name to be used in any way indicating a business connection with such an organization, without appropriate prior written approval of their immediate supervisor and Chief Risk Officer in the case of an employee.

3. An employee shall not accept for themselves, or for the benefit of any relative or friend, any payments, loans, services, favors involving more than ordinary social amenity, or gifts of more than nominal value from any organization doing or seeking to do business with the Company, except in accordance with this Code.
4. An employee, officer or director shall not hire or arrange for the hiring of any associate or relative into the Company without prior written approval of the Chief Risk Officer in the case of an employee, or both the Chairman and the Chief Risk Officer in the case of an officer or director, after full disclosure of the relationship in writing.

### **C. Outside Activities**

Employees and officers of the Company should avoid outside activities, which would impair the effective performances of their responsibilities to the Company, either because of demands on their time, or because the outside commitments can be contrary to their obligations to the Company.

### **D. Protection and Proper Use of Company Assets**

All employees, officers and directors should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's financial condition. All of the Company's assets should be used only for legitimate business purposes and not for personal use except as provided for in employment agreements and as is permitted practice under Company Travel and Expense and other guidelines for mobile communication devices.

## **III. COMPETITIVE PRACTICES**

The Company will not enter into arrangements, which unlawfully restrict its ability to compete with other businesses, or the ability of any other business organization to compete freely with the Company. Company policy also prohibits employees, officers and directors from entering into, or even discussing, any unlawful arrangement or understanding.

These principles of fair competition are basic to all of the Company's operations. They are integral parts of the following sections that cover the Company's dealings with suppliers and public officials.

## **IV. DEALING WITH SUPPLIERS**

The Company is a valuable customer for many suppliers of goods, services and facilities. People who want to do business or continue to do business with the Company must understand that all purchases by the Company will be made exclusively on the basis of price, quality, service and

suitability to the Company's needs.

**A. "Kickbacks" and Rebates**

Purchases of goods and services by the Company must not lead to employees, officers or directors, or their families, receiving any type of personal kickbacks or rebates, except as is permitted practice under Company Travel and Expense and other guidelines for travel reward programs. Employees, officers or directors, or their families, must not accept any form of "under-the-table" payment.

**B. Receipt of Gifts and Entertainment**

Even when gifts and entertainment are exchanged out of the purest motives of personal friendship, they can be misunderstood. They can appear to be attempts to bribe the Company's employees, officers or directors into directing business of the Company to a particular supplier. To avoid both the reality and the appearance of improper relations with suppliers or potential suppliers, the following standards will apply to the receipt of gifts and entertainment by employees, officers and directors of the Company:

1. Gifts. Employees, officers and directors are prohibited from soliciting gifts, gratuities, or any other personal benefit or favor of any kind from suppliers or potential suppliers. Gifts include not only merchandise and products but also personal services and tickets to sports or other events. The Company acknowledges however that as part of normal good business relationships, suppliers may offer tickets to sports and other events, meals and other forms of normal client development gifts or services. Employees, officers and directors are prohibited from accepting gifts of money.

Employees, officers and directors may accept unsolicited non-monetary gifts provided:

- (a) They are items of nominal intrinsic value;
- (b) They are appropriate and customary client development gifts for the industry, and may not reasonably be considered extravagant for such employee, officer or director; or
- (c) They are advertising and promotional materials, clearly marked with the company or brand names.

Any gift falling outside of the above guidelines must be reported to the Company's Chief Risk Officer to determine whether it can be accepted.

In the transaction of some international business, it is lawful and customary for business leaders in some countries to give unsolicited gifts to employees, officers or directors of the Company. These gifts can be of more than nominal value. Moreover, under the circumstances, returning the gifts or payment for them may constitute an affront to the giver. In such cases, the gift must be reported to the Company's Chief Risk Officer who may permit the retaining of the gifts.

In all other instances where gifts cannot be returned or may adversely affect the Company's continuing business relationships, the Company's Chief Risk Officer must be notified. The Company's Chief Risk Officer can require employees, officers and directors to transfer ownership of such gifts to the Company.

2. Entertainment. Employees, officers and directors shall not encourage or solicit entertainment from any individual or company with whom the Company does business. Entertainment includes, but is not limited to, activities such as dining, attending sporting or other special events and travel.

From time to time employees, officers and directors may accept unsolicited entertainment, but only under the following conditions:

- (a) The entertainment occurs infrequently;
- (b) It arises out of the ordinary course of business;
- (c) It involves reasonable expenditures (the amounts involved should be ones employees, officers and directors are accustomed to normally spending for their own business or personal entertainment); and
- (d) The entertainment takes place in settings that also are reasonable, appropriate, and fitting to employees, officers and directors, their hosts, and the business at hand.

## **V. CORRUPTION OF PUBLIC OFFICIALS**

### **A. Canada**

Canada's *Corruption of Foreign Public Officials Act* ("CFPOA") forbids (i) bribing foreign public officials, (ii) laundering property and proceeds obtained or derived from bribing a foreign public official, and (iii) possession of property and proceeds obtained or derived from bribing a foreign public official. The CFPOA also allows prosecution for (i) a conspiracy or an attempt to commit, (ii) aiding abetting in committing, (iii) an intention in common to commit, and (iv) counseling others to commit any of the above-noted offenses. Moreover, since these offences are also criminal offences, they fall under the *Mutual Legal Assistance in Criminal Matters Act* R.S.C. 1985, c.3 (4<sup>th</sup> Supp.), as amended. The penalties for each of these offenses include fines and imprisonment, and are sufficient to justify extradition.

It is the Company's policy to comply with the letter and spirit of the CFPOA and to abide by the laws of each country in which it does business.

### **B. Chile**

Restrictions applicable to gifts, entertainment, contributions or other benefits a person or company may provide to both government officials (that is, persons employed by the Government of Chile or any local government or any national, regional or local government agency, department or subdivision), as well as public employees (that is, persons employed by majority government-owned or government-controlled commercial enterprises), are covered by the Criminal Code of Chile.

The Criminal Code of Chile sanctions government officials and public employees that receive or accept any gift or benefit as a quid pro quo (i.e. receiving or accepting a gift or benefit in exchange for carrying out or failing to carry out their duties). Any gift received by or promised to government officials and public employees may be presumed to be improper. On the side of the donor, the Criminal Code of Chile defines the briber as the individual who pays, offers or promises to pay a gift or promise to the government official or public employee, regardless of the effectiveness of his or her offer, promise or payment.

The terms “gift” or “promise of a gift”, as used in the Criminal Code of Chile, have been defined by legal scholarship as gifts or any other kind of advantage or privilege, which may be money or any other thing having monetary value. Small business courtesies provided to government officials or public employees with no expectation of any favour or action in return do not violate the Criminal Code of Chile. Reasonable and modest business entertainment commonly considered as minimal business courtesies is acceptable and would overcome any presumption of impropriety. Among the factors to be considered in determining the appropriateness of extending these courtesies to government officials or public employees are the rank of the particular government official or public employee and the degree to which the government official or public employee’s functions are related to the company’s business activities in Chile. Further, greater sensitivity should be applied to entertainment of government officials or public employees who are actually involved in decisions affecting the Company’s business activities in Chile.

The Criminal Code provides for sanctions to both the briber and the public servant, consisting of fines between 50% and 100% of the amount or value of the gift or promise offered or accepted and, for the government official or public employee, a permanent bar on carrying out his or her post or occupation.

When in doubt as to whether any gift or promise of a gift would breach the Criminal Code of Chile, the person should consult with the Chief Risk Officer before proceeding in any manner.

## **VI. DEALING WITH PUBLIC OFFICIALS**

Domestic and foreign laws and regulations require the Company to be in contact with public officials on a wide variety of matters. Employees, officers and directors who regularly make these contacts have special responsibilities for upholding the Company’s good name. The following standards relate to these special responsibilities:

- A. No employee shall make any form of payment, direct or indirect, to any public official as inducement to procuring or keeping business or having a law or regulation enacted, defeated, or violated, including, without limitation, for the purposes of obtaining or securing an exploration property.
- B. When not prohibited by law, employees, officers and directors are allowed to give to public officials gifts where the presentation and acceptance of gifts is an established custom and a normal business practice. All such gifts shall be of reasonable value and the presentation approved in advance by the Company’s Chief Risk Officer. Moreover, such gifts must be presented in a manner that clearly identifies the Company and the occasion that warrants the presentation.
- C. On special ceremonial occasions, senior officers of the Company may publicly give gifts of more than nominal value to public institutions and public bodies. Such gifts can

commemorate special events or milestones in the Company's history.

D. From time to time employees, officers and directors may entertain public officials, but only under the following conditions:

1. It is legal and permitted by the entity represented by the official;
2. The entertainment is not solicited by the public official;
3. The entertainment occurs infrequently;
4. It arises out of the ordinary course of business;
5. It does not involve lavish expenditures, considering the circumstances; and
6. The settings and types of entertainment are reasonable, appropriate and fitting to our employees, officers or directors, their guests, and the business at hand.

## **VII. POLITICAL ACTIVITIES AND CONTRIBUTIONS**

### **A. Canada**

Employees, officers and directors who participate in political activities must make every effort to ensure that they do not leave the impression that they speak or act for the Company.

The Company encourages its employees, officers and directors to participate in political activities in their own time and at their sole expense. No corporate action, direct or indirect, will be allowed that infringes on the right of any employee individually to decide whether, to whom, and in what amount, they will make personal political contributions. The same is true of volunteer political donations of personal service time, so long as it does not interfere with the working status of employees, officers or directors.

### **B. Outside Canada**

No employees, officers and directors are permitted to use the Company's funds, facilities, or other assets, to support either directly or indirectly any political candidates or political parties, without advance authorization in writing from the Company's Chief Risk Officer. The policy of the Company is that employees, officers and directors should not participate in political activities in countries of which they are not nationals. However, such persons, of course, are free to participate in political activities in countries of which they are nationals in their own time and at their own expense.

## **VIII. EQUAL OPPORTUNITY**

The Company supports the principle that every individual must be accorded an equal opportunity to participate in the free enterprise system and to develop their ability to achieve their full potential within that system.

There shall be no discrimination against any employee or applicant because of race, religion, color, sex, sexual orientation, age, national or ethnic origin, or physical handicap (unless demands of the position are prohibitive). All employees, officers and directors will be treated with equality during

their employment without regard to their race, religion, color, sex, sexual orientation, age, national or ethnic origin, or physical handicap, in all matters, including employment, upgrading, promotion, transfer, layoff, termination, rates of pay, selection for training and recruitment. The Company will maintain a work environment free of discriminatory practice of any kind.

No employee shall have any authority to engage in any action or course of conduct or to condone any action or course of conduct by any other person which shall in any manner, directly or indirectly, discriminate or result in discrimination in the course of one's employment, termination of employment, or any related matter where such discrimination is, directly or indirectly, based upon race, religion, color, sex, sexual orientation, age, national or ethnic origin, or physical handicap.

## **IX. HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION**

It is the Company's policy to pay due regard to the health and safety of its employees, officers and directors and others and to the state of the environment. There are federal, provincial, state and local workplace safety and environmental laws which through various governmental agencies regulate both physical safety of employees, officers and directors and their exposure to conditions in the workplace. Should you be faced with an environmental health issue or have a concern about workplace safety, you should contact your supervisor or notify management immediately.

Many countries and their regional and local governments now have complex legislation to protect the health and safety of employees, or the general public, and to prevent pollution and protect the environment. These laws often provide penalties both for the companies involved and executive personnel in case of violation. The Chief Risk Officer should always be consulted when necessary to understand or comply with such laws.

## **X. WORK ENVIRONMENT**

Employees, officers and directors must treat each other with professional courtesy and respect at all times and specifically shall not subject any other employee to unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct which might be construed as sexual in nature. Such conduct may constitute sexual harassment under federal, provincial and state law and may be the basis for legal action against the offending employee and/or the Company.

Any employee who believes that they have been subjected to sexual harassment by any other employee should immediately advise their immediate supervisor and the Company's Chief Risk Officer that there are reasonable grounds to believe that an incident of sexual harassment has occurred. The identity of the employees, officers or directors involved will be kept strictly confidential and will not be revealed by the Company's management without the employee's permission. The alleged harassment will be thoroughly investigated and documented by the Company and appropriate action will be taken.

## **XI. INTEGRITY OF RECORDS AND FINANCIAL REPORTS**

As a public company, it is of critical importance that the Company's filings with the appropriate regulatory authorities be accurate and timely. Depending on their position with the Company, an employee, officer or director may be called upon to provide necessary information to ensure that the Company's public reports are complete, fair and understandable. The Company expects employees, officers and directors to take this responsibility very seriously and to provide prompt

accurate answers to inquiries related to the Company's public disclosure requirements.

The integrity of the Company's record keeping systems will be respected at all times. Employees, officers and directors are forbidden to use, authorize, or condone the use of "off-the-books" bookkeeping, secret accounts, unrecorded bank accounts, "slush" funds, falsified books, or any other devices that could be utilized to distort records or reports of the Company's true operating results and financial conditions or could otherwise result in the improper recordation of funds or transactions.

## **XII. USE OF AGENTS AND NON-EMPLOYEES, OFFICERS AND DIRECTORS**

Agents or other non-employees cannot be used to circumvent the law. Employees, officers and directors will not retain agents or other representatives to engage in practices that run contrary to this Code.

## **XIII. INTERNATIONAL OPERATIONS**

Corporate employees, officers and directors operating outside of Canada have a special responsibility to know and obey the laws and regulations of countries where they act for the Company. Customs vary throughout the world, but all employees, officers and directors must uphold the integrity of the Company in other nations diligently.

## **XIV. STANDARDS OF COMPLIANCE**

### **A. Initial Compliance**

Employees, officers and directors, current and future, will:

1. Become thoroughly familiar with this Code.
2. Resolve any doubts or questions about the Code with their supervisors.
3. Inform their supervisors of any existing holdings or activities that might be, or appear to be, at variance with this Code.
4. Prepare written disclosures of such information, if requested, by supervisors.
5. Take steps to correct existing situations and bring holdings and activities into full compliance with this Code. Such steps will be approved in writing by supervisors and will be based on the written disclosure submitted by employees, officers or directors.

### **B. Maintaining Compliance**

1. Employees, officers and directors have the responsibility to maintain their understanding of this Code.
2. Supervisors have the responsibility to maintain awareness on the part of their employees, officers and directors of the importance of their adhering to this Code and for reporting deviations to management.

3. As requested by the Board of Directors or senior management, employees, officers and directors or supervisors will be asked to verify their understanding of this Code and their compliance from time to time.
4. Employees, officers and directors must inform their supervisors of any changes in their holdings or activities that might be, or appear to be, in non-compliance with this Code.
5. Employees, officers and directors must prepare written disclosure of such information, if requested, by supervisors.
6. Employees, officers and directors must take steps to correct any such changes, if necessary, to bring holdings and activities into full compliance. Such steps will be approved in writing and will be based on the written disclosures submitted by employees, officers and directors.

## **XV. VIOLATIONS OF STANDARDS**

- A. Employees, officers and directors must immediately report any violations of this Code. Failure to do so can have serious consequences for the employees, officers or directors and the Company.
- B. Reports of violations should be made by employees to their immediate supervisor and to the Company's Chief Risk Officer, and by officers and directors to the Chairman and to the Company's Chief Risk Officer. In Chile, reports related to sexual harassment must be done in writing according to the Chilean Labor Code.
- C. Any report of violation that, according to applicable legislation must be notified to a specific authority, shall be immediately reported to the Company's Chief Risk Officer, who will coordinate the notice to be provided to such authority.
- D. After a violation is investigated, appropriate action will be taken. Management has the right to determine the appropriate disciplinary action for a violation up to and including termination of employment. Disciplinary actions set forth in the Internal Ruling issued by Andina Minerals Chile Limitada may be applicable. All proposed disciplinary action is subject to review by senior management.
- D. Employees, officers and directors should be aware that in addition to any disciplinary action taken by the Company, violations of some provisions of this Code may require restitution and may lead to civil or criminal action against individual employees, officers and directors and any company involved.
- E. Supervisors have the responsibility of taking remedial steps to correct any operating procedures that may contribute to violations of this Code.
- F. Retaliation in any form against an individual who reports a violation of this Code or of law in good faith, or who assists in the investigation of a reported violation, is itself a serious violation of this Code. Acts of retaliation should be reported immediately to a supervisor or management, and will be disciplined appropriately.

## **XVI. AMENDMENT, MODIFICATION AND WAIVER**

The Company will periodically review this Code. This Code may be amended, modified or waived by the Board of Directors and any such amendment, modification or waiver shall be reported as required by law or regulation. Employees, officers and directors will be fully informed of any material revisions to the Code.

### **ADVICE TO CHIEF RISK OFFICER**

For the purpose of this Code, the Company's Chief Risk Officer shall be the Chief Financial Officer of Andina Minerals Inc. and notices of potential violation under this policy should be sent to the attention of the Chief Financial Officer at:

Andina Minerals Inc.

56 Temperance Street - Suite 300, Toronto, ON, Canada M5H 3V5

Tel: 416 203 3488 Fax: 416 203 3438

Email: [ethics@andinaminerals.com](mailto:ethics@andinaminerals.com)