



## CODE OF BUSINESS CONDUCT AND ETHICS

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### INTRODUCTION

This code of business conduct and ethics (the “**Code**”) applies to everyone at Aya Gold & Silver Inc. (the “**Company**”), including its employees, Officers and Directors, regardless of their position in our organization, at all times and everywhere we do business. References in this Code to the “Company” mean the Company and any of its subsidiaries.

This Code reflects our commitment to a culture of integrity, excellence, teamwork and accountability and outlines the basic principles and policies with which everyone at the Company is expected to comply.

We require the highest standards of professional and ethical conduct from our employees, Officers and Directors. Our reputation for honesty and integrity is important for the success of our business. No one at the Company will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings.

We aim for our business practices to be compatible with, and sensitive to, the economic and social priorities of each location in which we operate. Although customs vary from country to country and standards of ethics may vary in different business environments, honesty and integrity must always characterize our business activity.

In addition to following this Code, you are expected to seek guidance in any case where there is a question about compliance with both the letter and spirit of our policies and applicable laws.

This Code will be reviewed periodically by the Board of Directors of the Company and supplemented as required from time to time.

### SPECIFICS OF CODE

#### I. **Compliance with Laws, Rules and Regulations**

We have a responsibility to comply with all applicable laws and regulations in all of our activities worldwide. Compliance with both the letter and spirit of all laws, rules and regulations applicable to our business is important for our reputation and continued success. We must respect and obey the laws of the cities, states and countries in which we operate and avoid even the appearance of impropriety. Individuals who fail to comply with this Code and applicable laws will be subject to disciplinary measures, up to and including discharge from the Company.

## II. Conflicts of Interest

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Company. A conflict of interest could arise where:

- An individual's personal interests interfere, or appear to interfere, in any way, with the interests of the Company; or
- An individual takes action for his or her direct or indirect benefit or the direct or indirect benefit of a third party that is inconsistent with the interests of the Company; or
- An individual, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

Activities that could give rise to conflicts of interest are prohibited unless specifically approved in advance by the Board of Directors. Where a conflict involves a Director (i.e. where a Director has an interest in a material contract or material transaction involving the Company), the Director involved will be required to disclose the full particulars of his or her interest to the Board of Directors and refrain from voting at any and all Board of Director's meetings of the Company considering such contract or transaction in accordance with applicable law.

It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest should be reported immediately to a member of senior management who is independent of the potential conflict and who will assess the issue with the advice of legal counsel. For unresolved potential conflicts involving any employee or where a member of senior management or a Director is involved in a potential conflict, the issue should be referred to the Board of Directors (assisted by the Nominating and Corporate Governance Committee "**NCGC**" and legal counsel, as necessary).

## III. Corporate Opportunities

Directors, Officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises and are prohibited from taking, for themselves personally, opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain, except where the Board of Directors has, after receiving the necessary information concerning such opportunity and receiving advice of legal counsel, elected not to avail itself of the opportunity in compliance with applicable corporate law. A Director interested in a corporate opportunity being considered by the Board of Directors, shall refrain from voting at any and all Board of Directors meeting considering such opportunity.

If an employee has any doubt as to whether an activity they are contemplating violates this requirement, they must refer the issue to a member of senior management who will assess the issue with the advice of legal counsel.

#### **IV. Confidentiality**

Directors, Officers and employees of the Company must preserve and protect the confidentiality of information entrusted to them by the Company or which otherwise comes into their possession in the course of their employment, except when disclosure is expressly authorized or legally mandated.

Any person subject to this Code must keep strictly confidential, during and after the termination of their employment, all Confidential Information (as defined below). He or she is required to keep the affairs and Confidential Information of the Company strictly confidential and shall not disclose same to any person, company or firm, directly or indirectly, during or after their employment, except as authorized in writing by an authorized representative of the Company.

“**Confidential Information**” includes, without limitation, the following types of information or material, both existing and contemplated, regarding the Company and/or any of its affiliated or subsidiary companies: corporate information, including contractual arrangements, plans, strategies, Company views and projections, tactics, policies, resolutions, patent, trademark and trade name applications; any litigation or negotiations; information concerning suppliers; marketing information, including sales, investment and product plans, customer lists, strategies, methods, customers, prospects and market research data; financial information, including cost and performance data, debt arrangements, equity structure, investors and holdings; operational and scientific information, including trade secrets; technical information; any information relating to any mineral projects in which the Company has an actual or potential interest; and personnel information, including personnel lists, resumes, personnel data, organizational structure and performance evaluations.

Confidential Information also includes all non-public information that may be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us.

#### **MAINTAINING CONFIDENTIALITY**

Any person subject to this Code is prohibited from communicating Confidential Information to anyone, unless it is necessary to do so in the normal course of business. Efforts will be made to limit access to such Confidential Information to only those who need to know the information and such persons will be advised that the information is to be kept confidential.

Any person subject to this Code should be aware that communication by E-mail leaves a physical track of its passage that may be subject to later decryption attempts. Caution should be taken for all Confidential Information being transmitted over the Internet. All confidential E-mails should be secured by appropriate encryption and validation methods.

Outside parties privy to undisclosed material or Confidential Information concerning the Company will be told that they must not divulge such information to anyone, other than for the purpose for which the Confidential Information was disclosed and that they may not trade in the Company's securities until the information is publicly disclosed. Where appropriate, such outside parties will be requested to confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

1. Documents and files containing Confidential Information should be kept in a safe place to which access is restricted to individuals who “need to know” that information in the normal course of business. Code names should be used as required.
2. Confidential matters should not be discussed in places where it is reasonable to expect that the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
3. Confidential matters should not be discussed on unsecured wireless telephones or other wireless devices.
4. Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
5. Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
6. Transmission of documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
7. Unnecessary copying of confidential documents should be avoided and documents containing Confidential Information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
8. Access to confidential electronic data should be restricted through the use of passwords.

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

We should all endeavor to protect the Company’s assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company’s profitability. Any suspected incidents of fraud or theft should be immediately reported to an individual’s supervisor or to a member of senior management for investigation.

Company assets, such as funds, products or computers, may only be used for legitimate business purposes or for other purposes approved by management. Company assets may never be used for illegal purposes.

The obligation to protect Company assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. Examples of proprietary information are intellectual property, data relating to the Company’s mineral projects, business and marketing plans and employee information. The obligation to preserve proprietary information continues even after you leave the Company.

## **VI. Insider Trading**

Insider trading is unethical and illegal. We are not allowed to trade in securities of any company, including the Company, while in possession of material non-public information regarding that company. It is also illegal to “tip” or pass on inside information to any other person who might make an investment decision based on that information or pass the information on further. The Company has adopted a separate Insider Trading Policy, and every employee, Officer and Director is required to observe and comply with such policy.

## **VII. Fair Dealing**

We should all endeavor to deal fairly with the Company’s security holders, customers, suppliers, competitors and the other employees of the Company. No one at the Company should take unfair advantage of anyone through illegal conduct, concealment, manipulation, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

## **VIII. Compliance with Environmental Laws**

The Company is sensitive to the environmental, health and safety consequences of its operations. Accordingly, the Company’s policy is to comply with all applicable environmental laws and regulations within all jurisdictions in which it operates. If any employee has any doubt as to the applicability or meaning of a particular environmental, health or safety regulation, he or she should immediately discuss the matter with his or her supervisor or with a member of the Company’s senior management, who will, in turn, consult with legal counsel on an as needed basis.

## **IX. Equal Opportunity**

We value the diversity of our employees and are committed to providing equal opportunity in all aspects of employment. We rely on diversity to inspire creativity and innovation. We respect the local cultures and traditions in the communities in which we operate, consistent with our fundamental principles of fairness and equality.

## **X. Discrimination and Harassment**

We believe in treating each other with respect and dignity, and in fostering an atmosphere of open communication, trust and mutual respect. We maintain a work environment that is free of discrimination and harassment. Harassment can include verbal, written or physical conduct or other action that is degrading, or shows hostility or aversion toward an individual. We are committed to the fair treatment of all employees, Directors and Officers and applicants for employment and make employment decisions based on qualifications, demonstrated skills and achievements. We comply with employment laws in every country where we operate. We do not tolerate verbal or physical conduct by any employee that harasses another employee or creates an intimidating, offensive or hostile work environment. We help each other by speaking out when a colleague’s conduct makes us uncomfortable. We must each hold ourselves accountable to the highest professional standards, with mutual respect and fair treatment as the basis of all professional relationships. All employees have a duty to report discriminatory or harassing behavior immediately to your supervisor.

## **XI. Safety and Health**

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. The Company is committed to keeping its workplaces free from hazards. Please report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. In order to protect the safety of all employees, employees must report to work free from the influence of any substance that could prevent them from conducting work activities safely and effectively.

## **XII. Financial and Business Disclosure and Accuracy of Company Records and Reporting**

Honest and accurate recording and reporting of information is critical to our ability to make responsible business decisions and to meet our reporting obligations to our stakeholders. This includes both the Company's financial reporting and ongoing disclosure requirements under applicable securities and stock exchange requirements. The Company's accounting and other records are relied upon to produce reports for the Company's management, shareholders, creditors, governmental agencies and others.

Full, fair, accurate, timely and understandable disclosure in the reports and other documents that we file with, or submit to, securities regulators and stock exchanges and in our other public communications is critical for us to maintain our good reputation, to comply with our obligations under the securities laws and to meet the expectations of our shareholders and other members of the investment community. In preparing such reports and documents and other public communications, the following guidelines should be adhered to:

- All accounting records, and the reports produced from such records, must be in accordance with all applicable laws;
- All accounting records must fairly and accurately reflect the transactions or occurrences to which they relate;
- All accounting records must fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses;
- No accounting records should contain any false or intentionally misleading entries;
- No transactions should be intentionally misclassified as to accounts, departments or accounting periods;
- All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period;
- No information should be concealed from the internal auditors or the independent auditors; and
- Compliance with the Company's system of internal controls is required.

If any employee, Officer or Director of the Company has concerns or complaints regarding accounting or auditing issues, he or she is encouraged to submit those concerns to a member of the Audit Committee or through the Company's confidential whistleblower mechanism detailed in the Company's Handling of Complaints - Whistle Blowing Policy.

Business records and communications often become public through legal or regulatory investigations or the media. We should avoid exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies. This applies to communications of all kinds, including E-mail and informal notes or interoffice memos. Records should be retained and destroyed in accordance with the Company's records retention policy.

### **XIII. Corporate Payments**

**Contributions:** Personal contributions to political parties or candidates are a matter of individual choice. Such contributions may not be represented as being on behalf of the Company. Company funds cannot be used for political contributions.

**Entries:** Company funds will be used only for business purposes and all must be recorded. Fund usage must be only for the described purpose and backed by appropriate supporting documents. Directors, Officers and employees will cooperate fully with our independent auditors.

**Loans:** Loans to, or guarantees of obligations of, Directors, Officers, executives or members of their families, are specifically prohibited to the full extent required by applicable law or regulation.

### **XIV. Use of E-Mail and Internet Services**

E-Mail systems and Internet services are provided to help us do work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. You should not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, ethnic or racial slurs, or messages that could be viewed as harassment.

Your messages (including voice mail) and computer information are considered the property of the Company and you should not have any expectation of privacy in any of your communications made through the use of the Company's E-mail system or computer equipment. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

Violation of these policies may result in disciplinary actions up to and including discharge from the Company.

### **XV. Gifts and Entertainment**

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, travel, accommodation and other merchandise or services (collectively "**Gifts**"). In some cultures they play an important role in business relationships. However, a problem may arise when Gifts compromise, or appear to compromise, someone's ability to make objective and fair business decisions.

Offering or receiving any Gift or entertainment that influences, or might be perceived to influence a business relationship, is prohibited.

The value of any Gifts should be nominal, both with respect to frequency and amount. Gifts that are repetitive (no matter how small) may be perceived as an attempt to create an obligation to the giver and are therefore inappropriate. Likewise, business entertainment should be moderately scaled and intended only to facilitate business goals. If you are having difficulty determining whether a specific Gift or entertainment item lies within the bounds of acceptable business practice, consult your supervisor or a member of senior management and ask yourself whether or not the Gift or item is legal, business related, moderate and reasonable, whether or not public disclosures would embarrass the Company, and whether or not there is any pressure to reciprocate or grant special favors. Gifts may not be made to any Officer or employee of, or any person representing or acting on behalf of any government, or any department, ministry, agency, authority or instrumentality of such government (a “**Foreign Official**”),<sup>1</sup> except as explained in Section XV below.

#### **xvi. Payments to Foreign Officials**

Employees and Officers of the Company must comply with all applicable laws prohibiting improper payments to Foreign officials, including the *Corruption of Foreign Public Officials Act* (Canada) (the “**Act**”).

The Act makes it illegal for any person, in order to obtain or retain an advantage in the course of business, directly or indirectly, to authorize, offer, compromise or agree to give or offer a loan monies, reward, Gift, advantage or benefit of any kind to a Foreign Official.

Violation of the Act is a criminal offence, subjecting the Company to substantial fines and penalties and any Officer, Director or employee acting on behalf of the Company to imprisonment and fines. Violation of this policy may result in disciplinary actions up to and including discharge from the Company.

The Company’s International Business Conduct Policy provides guidelines regarding the interpretation and application of the Act. If any employee, Director or Officer has any questions about a particular situation, please refer to the Company’s General Counsel.

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<sup>1</sup> For a complete definition, see the Company’s International Business Conduct Policy. Because the Company seeks to comply with the applicable statutes in both Canada and the United States, the term “foreign” for this purpose includes Canada (whose officials are “foreign officials” under the U.S. *Foreign Corrupt Practices Act*) and the United States (whose officials are “foreign officials” under the Canadian *Corruption of Foreign Public Officials Act*).

Every year, each Director, Officer and employee involved in dealing with Foreign Officials (as defined in the International Business Conduct Policy) will provide the following certification to the Board:

“I certify that I have not in the past and will not in the future offer, promise to pay, or authorize the payment of any money, or offer, give, promise to give, or authorize the giving of anything of value, to any officer, employee or any other person acting in an official capacity for any Government Entity, as defined below, to any Foreign Official (as defined in the Company’s International Business Conduct Policy) or to any person under circumstances where I know or am aware of a high probability that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any Foreign Official, for the purpose of:

- (i) (i) Influencing any act or decision of such Foreign Official in his official capacity, (ii) Inducing such Foreign Official to do or omit to do any act in violation of his lawful duty, (iii) Securing any improper advantage, or (iv) Inducing such Foreign Official to influence or affect any act or decision of any Government Entity; or
- (ii) Assisting the Company or any Company Affiliate in obtaining or retaining business for or with, or directing business to any person.

“**Government Entity**” as used in this certification means any government or any department, agency or instrumentality thereof, including any entity or enterprise owned or controlled by a government, or a public international organization.”

#### **XVII. Reporting of any Illegal or Unethical behavior**

We have a strong commitment to conduct our business in a lawful and ethical manner. Employees are encouraged to report violations of laws, rules, regulations or this Code to their supervisor or member of senior management or through the confidential whistleblower mechanism detailed in the Company’s Handling of Complaints - Whistle Blowing Policy. We prohibit retaliatory action against any employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

#### **GENERAL COMPLIANCE; DISCIPLINARY ACTION**

Each Director, Officer and employee is expected to report what he or she believes in good faith are violations of the law or Company policy, whether accidental or deliberate, by any Director, Officer or employee. If you become aware of any conflict, relationship, payment or other action, involving yourself or others, which could conflict with these policies, it is your obligation to disclose the matter fully and in writing to your supervisors or in accordance with the Company’s Whistle Blowing Policy. The intentional failure to report a violation is itself a violation of Company policy. Reports of possible violations will be acted upon promptly and in a manner consistent with the circumstances.

Employees will not be disciplined or suffer retribution for reporting suspected or actual violations.

Failure to comply with this policy may result in disciplinary action. Disciplinary action will be the prerogative of the Company's Board of Directors or management and may include a reprimand which is documented in the personnel file, loss of compensation, change of responsibilities to avoid repeat violations, demotion, termination or other measures the Board of Directors or management deems appropriate, or, in the case of a Director, suspension or removal from the Board of Directors.

If you have any questions, or if you wish to report a violation or possible violations, please feel free to write, E-mail or call the General Counsel of the Company. There is no need to identify yourself, if you prefer not to do so, you may use the confidential whistle-blower mechanism detailed in the Company's Handling of Complaints - Whistle Blowing Policy. All reports will be treated in confidence except as necessary to conduct investigations.

#### **XVIII. Amendment, Modification and Waivers of the Code of Business Conduct and Ethics**

The Code may be amended or modified by the Board of Directors or a vote of the independent Directors of the Board, subject to disclosure and other provisions of applicable securities legislation and stock exchange requirements.

#### **XIX. Compliance Procedures**

This Code cannot, and is not intended to, address all of the situations you may encounter. There may be occasions where you are confronted by circumstances not covered by policy or procedure under this Code and where you must make a judgment as to the appropriate course of action. In those circumstances or if you have any questions concerning your obligations under this Code, we encourage you to use your common sense, and to contact your supervisor or a member of senior management for guidance. Senior management or Directors are encouraged to consult with the Chief Executive Officer, the Chief Financial Officer or General Counsel, or such other senior officer of the Company as may be designated by the Company from time to time.

If you fail to comply with this Code or applicable laws, rules or regulations you will be subject to disciplinary measures, up to and including discharge the Company. Violations of this Code may also constitute violations of law and may result in civil or criminal penalties for you, your supervisors and/or the Company.