

# BEAR CREEK MINING CORPORATION

(THE "COMPANY")

## CODE OF BUSINESS CONDUCT AND ETHICS

### GENERAL

The purpose of this Code of Business Conduct and Ethics (the "**Code**") is to promote integrity, deter wrongdoing and assist all Company personnel in making decisions regarding the affairs of the Company and its subsidiaries. The Code outlines the basic principles that guide the affairs of the Company and while it addresses certain specific situations, it is not comprehensive. Personnel are encouraged to consult with management, the CEO or the Chair of the Audit Committee for direction regarding specific issues, conflicts or potential conflicts.

### THE CODE

The Company and its subsidiaries and their directors, officers, employees, and consultants (the "**Covered Persons**") shall conduct the Company's business and affairs honestly and with integrity, use high ethical standards, and deal fairly and professionally with the Company's security holders, customers, suppliers, competitors and employees. All Covered Persons shall comply with the aforementioned general principles and, more specifically shall:

#### *Accurate Financial Recording*

Maintain records that accurately reflect the Company's operations. Financial statements shall be prepared in accordance with applicable generally accepted accounting principles and securities laws. The financial statements shall be prepared using the highest standards of integrity.

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

Comply with the applicable laws, rules and regulations of each jurisdiction in which the Company does business.

#### *Obligations to Shareholders*

Conduct the Company's affairs with a view to the best interests of the Company as a whole and to enhance shareholder value.

#### *Conflict of Interest*

Attempt to avoid all situations that might reasonably be perceived to conflict or have the potential to conflict with their duties to the Company. In the event that any conflict or potential conflict of interest arises and the individual involved is an employee, such individual must immediately notify their immediate supervisor and the Chair of the Audit Committee. If such individual involved in any conflict or potential conflict of interest is a director (including the Chairman of the Board or the Lead Director (if applicable)) of the Company, such director must immediately notify the Chair of the Audit Committee.

In the event that any conflict or potential conflict of interest arises and the individual involved is the Chair of the Audit Committee, s/he shall immediately notify all of the members of the Board of Directors and shall abide by the Board's recommendations. In all other cases, any Covered Person with a conflict or

potential conflict shall abide by the recommendations of the Chair of the Audit Committee, who shall consult with the Nominating and Corporate Governance Committee or Board as necessary with respect to the conflict or potential conflict.

Additionally, where a conflict or potential conflict arises in the situation of a director or officer of the Company, such individual shall comply with applicable corporate laws with respect to such conflict.

Without limitation and by way of example only, conflicts of interest could potentially exist if a Covered Person:

- Accepts a gift, service, payment or other benefit of more than nominal value from a competitor, supplier, or customer of the Company, or any entity or organization with which the Company does business or seeks to do business. For clarity, however, the following shall be permissible and shall not be considered a conflict under this Code:
  - Normal course of business gatherings and events sponsored by customers or suppliers;
  - Any gift, service, payment or other benefit that has been specifically confirmed by the Board or the CEO (or only the Board if the applicable Covered Person is the CEO) to not be an improper influence and otherwise acceptable in accordance with the requirements of the Code.
- Lends to, borrows from, or has a material interest (equity or otherwise) in a competitor, supplier, or customer of the Company, or any entity or organization with which the Company does business or seeks to do business;
- Accepts compensation (in any form) for services performed for the Company from any source other than the Company, such as from a shareholder or a joint venture partner;
- Serves (or an immediate family member of any Covered Person serves) as a director, officer, partner, consultant, or employee of, or serves in any other significant role of, or any such person has a significant financial interest (including any significant equity interest) in, any competitor, supplier, or customer of the Company, or any entity or organization with which the Company does business or seeks to do business, unless such service or interest is specifically disclosed to and approved by the Nominating and Corporate Governance Committee.
- Acts as a broker, finder or other intermediary for the benefit of a third party in transactions involving the Company or its interests;
- Knowingly competes with the Company or diverts a business opportunity from the Company; or
- Conducts significant outside business activity that precludes his or her ability to devote appropriate time and attention to his or her responsibilities with the Company.

### *Corporate Opportunities*

Not (i) take for themselves personally opportunities that properly belong to the Company or are discovered through the use of corporate property, assets, information or position, (ii) use corporate property, assets, information or position for personal gain, or (iii) compete with the Company. Covered

Persons owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises.

*Disclosure, Communications, Confidentiality and Stock Trading*

Comply with the Company's Disclosure, Confidentiality, and Insider Trading Policy.

*Respect and Tolerance*

Not tolerate discrimination, intimidation or harassment on the basis of race, colour, age, gender, sexual orientation, marital status, physical or mental disability, national or ethnic origin or religious beliefs. Employees are entitled to work in an environment which is respectful of their dignity, rights, needs and individual differences.

*Environmental Standards*

Conduct the Company's exploration, development and mining operations using environmental best practices with a goal to protecting human health, minimizing impact on the ecosystem and returning exploration and mining sites to a high environmental standard in compliance with all applicable environmental laws and regulations.

*Health and Safety*

Provide safe and healthy working conditions on all Company sites and comply with all applicable occupational health and safety laws and regulations.

*Contribution to Local Communities*

Conduct the Company's operations with a view to respecting and enhancing the economic and social situations of the communities in which the Company operates.

*International Operations and Business Practices*

Know and obey the laws, rules and regulations in each country where Covered Persons act for the Company and conduct themselves in accordance with such laws and local business practices (to the extent permitted by all applicable law, rules and regulations). The Company recognizes that laws, regulations, business practices and customs vary throughout the world and that, in certain cases, may be different from laws, rules, regulations, business practices and customs in Canada. Notwithstanding the above, Covered Persons shall comply with all applicable laws relating to foreign corrupt practices.

*Dealing with Public Officials*

Not directly or indirectly make payments to public officials with a view to assisting the Company to conduct its business unless there is no reasonable alternative to such payment, the payment is not being made to induce the official to misuse his or her position, the payment is not illegal under the jurisdiction's laws or applicable laws relating to foreign corrupt practices, and the payment is properly recorded and identified in accounting records.

*Benefits Given*

Not provide gifts or other personal benefit to others that would be considered extravagant or would reflect unfavourably on the Company.

*Benefits Received*

Not seek or receive gifts or other personal benefit from those doing or seeking to do business with the Company which might reasonably be perceived to have the ability to affect the recipient's judgement or conduct involving the Company.

*Other Entities to be Ethical*

Use reasonable efforts to ensure that the companies and individuals with which the Company does material business also observe high ethical standards.

*Use of Agents*

Not use agents or other non-employees to circumvent applicable law or to otherwise engage in practices that run contrary to the Code.

*Encourage the Reporting of Any Illegal or Unethical Behaviour*

Talk to supervisors, managers or other appropriate personnel when there is any ambiguity about the proper ethical or legal action to take in a particular situation and report promptly any potential violations of the Code or any of the Company's other corporate governance policies, including without limitation the Disclosure, Confidentiality, and Insider Trading Policy (collectively, "**Potential Violations**"), or any Accounting Concerns as such term is defined in the Company's Whistleblower Policy, to the Chair of the Audit Committee pursuant to the Company's Whistleblower Policy. The Company will not allow retaliation for reports of Potential Violations that are made in good faith.

**COMPLIANCE, ENFORCEMENT AND WAIVER***Compliance with the Code*

It is the responsibility of all Covered Persons to be aware of their obligations under, and to comply with, the Code. When in doubt, a Covered Person is expected to seek clarification from their immediate supervisor or the Chair of the Audit Committee.

All breaches of the Code shall immediately be reported to the Chair of the Audit Committee. All reports by an individual of violations will be kept confidential except if otherwise required by law. Individuals who breach the Code may be subject to disciplinary action, including dismissal.

*Reporting*

Any person who wishes to report a breach of the Code, a Potential Violation, or otherwise has any questions regarding the Code or its application to the Company and/or Covered Persons may make a submission to the Chair of the Audit Committee of the Company in writing, by telephone or email pursuant to the Company's Whistleblower Policy as follows:

In Writing: Bear Creek Mining Corporation  
Attention: Chair of the Audit Committee  
1050 - 625 Howe Street  
Vancouver, BC V6C 2T6 Canada

By Telephone: (604) 628-1114

By E-mail: nwatson@sandstormltd.com

*Amendment and Waiver*

The Code may only be amended or waived by the Board at its sole discretion. Upon such waiver or amendment, the Board will arrange to have the waiver or amendment communicated as appropriate under the circumstances.

**COMMUNICATION OF THE POLICY**

To ensure that all Covered Persons are aware of and educated about the Code, the Company will make a copy of the Code available to all Covered Persons, and they shall be informed whenever significant changes are made to the Code.

**EFFECTIVE DATE**

Approved and adopted by the Board on April 22, 2013.