



## CODE OF BUSINESS CONDUCT AND ETHICS

### (1) 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 Crystal Peak Minerals Inc. ("**CPM**" or the "**Company**"). Its purpose is to:

- (a) Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) 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;
- (c) Promote compliance with applicable governmental laws, rules and regulations;
- (d) Promote the internal reporting to an appropriate person of violations of this Code;
- (e) Promote accountability for adherence to this Code;
- (f) Provide guidance to employees, officers and directors to help them recognize and deal with ethical issues;
- (g) Provide mechanisms to report unethical conduct; and
- (h) Help foster the Company's culture of honesty and accountability.

CPM 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.

### (2) CONFLICTS OF INTEREST

Employees, officers and directors of CPM 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 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. 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 the Company's Chief Executive Officer in writing and no further action may be taken unless authorized in writing by the Company's Chief Executive Officer. If such individual is an officer or director of the Company, the Chairman of the Company as well as the Company's Chief Executive Officer must be immediately notified, or if the conflict is concerning the Chairman, the Chief Executive 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 Executive Officer or the Chief Executive 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 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) Personal Financial Interest

- (i) Employees, officers and directors should avoid any outside financial interests which might influence their corporate decisions or actions. An employee, 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 his or her immediate supervisor and the Company's Chief Executive 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 Executive Officer, after full disclosure of the relationship in writing;
- (ii) 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 Executive Officer in the case of an employee, and of the Chairman and the Company's Chief Executive Officer in the case of an officer or director of the Company;
- (iii) An employee, officer or director shall not accept for themselves, or for the benefit of any relative or friend, any payments, loans, services, favours involving more than ordinary social amenity, or gifts of more

than a reasonable value from any organization doing or seeking to do business with the Company, except in accordance with this Code; and

- (iv) 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 Executive Officer in the case of an employee, or both the Chairman and the Chief Executive Officer in the case of an officer or director, after full disclosure of the relationship in writing.

(b) 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.

(3) DEALING WITH SUPPLIERS

The Company is a valuable customer for many suppliers of goods, services and facilities. People who want to do business, or to 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. Employees, officers or directors, or their families, must not accept any form of "under-the-table" payment.

(b) Receipt of Gifts and Entertainment

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:

- (i) 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 reasonable 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 Executive Officer to determine whether it can be accepted.

- (ii) Entertainment. Employees, officers and directors shall not 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) it arises out of the ordinary course of business;
- (B) 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

in all other instances, the Company's Chief Executive Officer must approve of the entertainment.

#### (4) 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 a mineral interest;

- (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. 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 greater value to public institutions and public bodies. Such gifts can commemorate special events or milestones in the Company's history; and
- (d) From time to time employees, officers and directors may entertain public officials, but only under the following conditions:
  - (i) It is legal and permitted by the entity represented by the official;
  - (ii) The entertainment is not solicited by the public official;
  - (iii) It arises out of the ordinary course of business; and
  - (iv) It does not involve lavish expenditures, considering the circumstances.

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) counselling 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 (4th 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 the laws of each country in which it does business.

B. Countries other than Canada where operations are located

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 the country other than Canada where operations are located 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 generally

covered by the Criminal Code of the country other than Canada where operations are located.

On the side of the donor, the Criminal Code of the country where operations are located, generally 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 many countries, 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 generally do not violate Criminal Codes. 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 CPM. 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 that country.

The applicable Criminal Code may provide 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 the country where operations are located, the person should consult with the Chief Executive Officer before proceeding in any manner.

#### (5) POLITICAL ACTIVITIES AND CONTRIBUTIONS

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 Executive Officer.

#### (6) 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.

(7) 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 the Board of Directors 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 Executive Officer should always be consulted when necessary to understand or comply with such laws.

(8) 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 the Company's Chief Executive 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 Chief Executive Officer without the employee's permission. The alleged harassment will be thoroughly investigated and documented by the Company and appropriate action will be taken.

(9) 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.

(10) 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.

(11) 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.

(12) STANDARDS OF COMPLIANCE

(a) Initial Compliance

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

- (i) Become thoroughly familiar with this Code;
- (ii) Resolve any doubts or questions about the Code with the Chief Executive Officer;
- (iii) Inform the Chief Executive Officer of any existing matters that might be, or appear to be, at variance with this Code;
- (iv) Prepare written disclosures of such information, if requested, by the Chief Executive Officer; and
- (v) Take steps to correct existing situations into full compliance with this Code.

(b) Maintaining Compliance



- (i) Employees, officers and directors have the responsibility to maintain their understanding of this Code;
- (ii) The Chief Executive Officer has the responsibility to maintain an awareness on the part of their employees, officers and directors of the importance of their adhering to this Code and for reporting deviations to the Board of Directors;
- (iii) As requested by the Board of Directors, employees, officers and directors will be asked to verify their understanding of this Code and their compliance with them from time to time;
- (iv) Employees, officers and directors must inform the Chief Executive Officer of any changes in their holdings or matters that might be, or appear to be, in non-compliance with this Code; and
- (v) Employees, officers and directors must take steps to correct any such changes, if necessary, to bring holdings and matters into full compliance. Such steps will be approved in writing and will be based on the written disclosures submitted by employees, officers and directors.

(13) 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 the Company's Chief Executive Officer, and by officers and directors to the Chairman and to the Company's Chief Executive Officer. In some jurisdictions, reports related to sexual harassment must be done in writing according to the applicable 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 Executive Officer, who will coordinate the notice to be provided to such authority;
- (d) After a violation is investigated, appropriate action will be taken. The Board of Directors has the right to determine the appropriate disciplinary action for a violation up to and including termination of employment. All proposed disciplinary action is subject to review by the Board of Directors;
- (e) 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; and

- (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 the Chief Executive Officer, and will be disciplined appropriately.

**CPM Ventures Inc.**

**RECEIPT AND ACKNOWLEDGEMENT**

I, \_\_\_\_\_, hereby acknowledge that I have received and read a copy of the "Code of Business Conduct and Ethics" and agree to comply with its terms.

I understand that violation of the terms of the above-noted Code may subject me to discipline by the Company up to and including termination.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date