

GOLDLAKE GROUP CORPORATE PURPOSE, VALUES, CORE COMPETENCIES AND POLICIES

OUR PURPOSE

The Goldlake Group is an integrated diversified mining and precious metal refining company. We believe that in business, innovation coupled with an ambition to make a difference in people's lives and to protect our natural world, results in benefits for all. Our purpose is to deliver products to our clients with the assurance that at every step in the value chain we have a positive impact on the people, communities and the environment touched by our operations, and generate a superior financial return for our shareholders.

OUR CORE STRENGTHS

A management team with significant experience in the mining sector and a reputation for identifying and developing strong business opportunities;

Loyal, qualified and well trained employees;

A track record of establishing and managing successful businesses in emerging markets;

A socially and environmentally aware business committed to sustainable development wherever we work;

An assurance to deliver quality products mined and refined to the highest standards through our integrated business model

VALUES

Innovation: we continually search for technical and management solutions that improve our business processes and products.

Entrepreneurship: we sustain and grow our business by identifying often overlooked opportunities to create economic and societal value through entering new markets, exploiting system efficiencies, and creating mutually beneficial business partnerships .

Trust: we build confidence in our working relationship by being open, communicating freely about our business and delivering on our commitments to our employees, partners and investors.

Sustainability: we insist that every initiative and investment has a strong orientation towards economic, social and environmental sustainability.

Personal Commitment: we expect each of our employees to make his or her own individual contribution to our business and to be driven by a team spirit.

Local Integration: we design all our projects to be closely integrated with our neighbouring communities and local economy.

CORE SUSTAINABILITY AND CORPORATE ACCOUNTABILITY POLICIES

Goldlake Group is an international diversified mining company with offices in Gubbio (Italy), London and at its main operations in Tegucigalpa, Honduras. The company mines gold and iron ore through subsidiary companies Eurocantera and Five Star Mining; exploration continues on concessions in Central and South America. We employ over two hundred and thirty people and approximately four hundred contractors at our facilities worldwide.

Goldlake Group understands that our presence and activities affect the countries in which we operate and the communities neighbouring our concessions, and that our mining operations disturb the natural environment. We believe that it is possible to achieve a net-positive impact in and around our projects and facilities through careful management, innovation and a corporate ambition to catalyse positive change in people's lives and to protect nature. Even with the advances in engineering technology and improvements in management practices that can help avoid and control the risks of our activities, mining is not always compatible with local environmental and social values. Therefore, we operate only in places where we are confident that we can have a positive impact on the environment and the local economy and have the support of our stakeholders.

These core sustainability and corporate accountability policies (Core Policies) include a code of business ethics and conduct and our commitments to industry best practices and standards, to the health and safety of our employees, to protect the environment and biodiversity, to respect and uphold human rights, to build constructive community relations and to work with artisanal and small scale miners.

Our Core Policies have been developed under a mandate of our senior management, with the participation of our employees and were adopted by our board of directors in November 2012. Along with our purpose and values, the Core Policies are the basis for our way of doing business and of our ethical and legal behaviour. It is a requirement for all Goldlake personnel to read and formally acknowledge the importance of the Core Policies and respect their application as part of their employment contract.

Code of Business Ethics and Conduct:

Goldlake's Code of Business Ethics and Conduct (the Code) is intended to affirm our commitment to fundamental responsible practices in business and to guide our employees, managers and directors on how to conduct the company's activities. Respecting the law and avoiding legal violations is an essential tenet of the Code. Although providing a baseline of behaviour, legal compliance is a point of departure for Goldlake, rather than a destination; in most circumstances our standards go beyond legal requirements. The Code includes our stand on legal compliance, how we treat each other in the workplace, corruption, transparency and disclosure and the integrity of our products.

Legal Compliance: We conduct all our activities in strict compliance with the national laws of the countries where we operate and with all relevant international conventions. It is the responsibility of our directors, officers and managers to know and keep abreast of changes to laws and regulations that affect our business.

Our People: We treat each other with respect and forbid all forms of discrimination in the work place. We aim to ensure equal treatment of all our employees, based on merit and performance. We value our employees and the commitment they have made to Goldlake, and we take seriously the investment the company has made in them. We therefore actively contribute to the development of our employees' skills through training programmes in engineering, geology, mine management, vehicle maintenance, driving and administration. We follow a comprehensive human resources policy and procedures that are fully compliant with the national laws in every country in which we work and conform with our own internal standards that are equal to the highest international standards.

Corruption: We are fully aware that corruption is a persistent issue in some of the countries where we work. We do not tolerate bribery or facilitation payments of any kind. We encourage and support our employees to report any incidence that might lead to or be perceived as corrupt and train our managers to respond appropriately.

Money laundering: In all our business dealings we conduct thorough due diligence and follow the principles of "Know Your Customer" and maintain records of all our transactions to avoid working with organizations or individuals who are involved in the illicit movement of money. We are attuned to the dangers of money laundering in the gold supply chain, especially when difficult-to-trace gold items, such as jewellery, are melted and refined. Goldlake refines gold through a fully controlled chain of custody from the mine to

refinery and onward delivery to our clients. We only refine gold from our own mines and follow strict checks and procedures to ensure the provenance of our material at all stages of the supply chain.

Product Integrity: The gold and other metals produced at our mines and processed at our refinery and other plants are accompanied by documentation clearly disclosing their quality in conformance with international standards and verified by accredited third party firms and auditors. Where appropriate and in accordance with appropriate laws and regulations, gold from our facilities will be clearly marked to indicate the quality of product.

Transparency and Reporting: We practice complete honesty and transparency in our business dealings and starting in 2014 we will report annually at a corporate level following the Global Reporting Initiative Framework (GRI) and the guidance of the GRI's Mining and Metals Sector Supplement. Goldlake endorses the principles of the Extractive Industries Transparency Initiative (EITI) and supports its implementation. Where we operate in EITI complaint countries, we commit to publicly disclosing benefits and payments made to governments in line with the guidance provided by the EITI. Honduras, where Goldake's main operations are, is an EITI candidate country and expects to publish its first report in 2014. We have participated in national dialogues on EITI in Honduras.

Industry Best Practices and Standards:

Goldlake Group strives to distinguish itself as an industry leader through conforming with and, in some cases, setting the highest standards and management systems across its business functions and activities.

Goldlake Group is a member of the Responsible Jewellery Council (RJC) and our Eurocantera mining operations in Honduras and our refining facility in Italy were certified to The RJC Code of Practices in 2013 and 2012 respectively. RJC is a standards-setting organization that was established to bolster consumers' confidence in the jewellery industry by promoting responsible, ethical, human rights, social and environmental practices throughout the jewellery supply chain. The RJC has developed a comprehensive system of standards (which are available at www.responsiblejewellery.com) applicable to all businesses in the jewellery supply chain, and a credible mechanism for verifying compliance to its standards through third party auditors.

Goldlake has begun implementing a Social and Environmental Management System (SEMS) for its iron ore mine, Five Star Mining, in Agalteca and gold mine, Eurocantera, in Olancho, Honduras. The SEMS is aligned with the international standard for environmental management systems, ISO 14001.

Goldlake uses contractors to carry out some activities at our sites and facilities, such as transporting raw material or to provide security or environmental services. In all cases where we contract with outside firms, we require that they formally commit to and comply with our standards and acknowledge and respect our core values, including the requirements of third party standard setting bodies, such as the RJC.

Health and Safety

We are committed to a safe and healthy workplace and incorporating a health and safety into organizational culture for our employees by working to the highest international standards. We provide health and safety training programme for our employees and contractors at the mine in order to prevent incidents on-site, with the objective to achieve a 'zero incident' facility. Additionally, we provide free 24 hour medical assistance to all our employees and their families.

It is the duty of management to ensure all processes and operating systems have undergone health and safety risk assessments, are properly supervised at all times, and are designed and managed to enable employees to raise and be consulted upon issues of health and safety at any time. Goldlake will provide all appropriate personal protective equipment and regular checks will be undertaken to ensure it is current, worn and used correctly. Competent

personnel are appointed to ensure all statutory duties are complied with including, where appropriate, independent specialist advice to ensure compliance through regular monitoring and audit.

It is the responsibility of all employees and contractors to co-operate to enable all statutory duties to be complied with and employees must ensure their own health and safety at work and the health and safety of anyone else who might be affected by their behaviour.

Environment

Goldlake Group is committed to the continual improvement of our environmental performance and the prevention of pollution throughout all our operations and facilities. We recognise the imperative to manage the risks of our activities in relation to the availability and quality of water, energy use, the conservation of biodiversity and important species, the management of waste and the use of land. We will complete environmental impact assessments and develop full environmental closure plans at all of our projects. We have established a series of environmental performance targets for the operational site at Five Star Mining and continue to aim for the following targets for our Eurocantera mine:

- zero waste from our mine and processing facilities;
- 100% mitigation of any damage to ecosystems and natural habitats, and
- the introduction of zero-pollution technologies.

Environmental performance is continually monitored across all operating functions and is regularly reported to senior management to allow for additional resource allocation and regular adaptation of management systems, policies, procedures, objectives and targets. Goldlake complies with all legal and other requirements to which the organisation subscribes.

Social & Community

Goldlake Group develops mines in a way that respects the culture of local stakeholders and fully integrates our neighbouring communities in our business as a point of competitive differentiation. We complete social and community development impact assessment at all of our sites in order to better understand the local political, economic, cultural and social circumstances of our neighbours. At our operational sites the vast majority of the workforce is made up of local people. We believe in working in conjunction with the communities around our mines to support locally viable economic growth and to develop plans with the communities for post-closure economic activities that are not dependent on mining.

Goldlake understands the need for mutual respect between the company and surrounding communities; we have actively encouraged independent local cooperatives to contract with us at our mines to ensure workers have representation and strength through a collective voice and the ability to provide a well-trained and appropriately skilled workforce. Goldlake helps with direct funding agreements for local communities around our operations and provides support to community leaders through advice on community investments, education, workplace skill building and vocational training.

Artisanal and Small Scale Mining

Goldlake does not currently purchase any gold from artisanal and small scale miners (ASM) but has done so in the past. Although ASM do not mine within our concession they are active in the area. In many cases, ASM is an illegal activity, and, in most cases, informal. As part of our commitment to working with our neighbouring communities, we will support ASM communities to establish legal organizations and encourage them to work within the formal mining sector. As well, we will help where we can to improve their productivity and build legitimate, safe and environmentally well managed community businesses.

Human Rights

Goldlake seeks to avoid civil conflict and is committed to ensure all human rights are upheld in line with the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights regarding all employees and any other people who interact with Goldlake Group. At all our mines we will conduct risk assessments to understand the potential for human rights incidences related to public and private security and will align our policies, procedures and staff training related to security at our mines with the Voluntary Principles on Security and Human Rights. We are committed to ensuring that our activities and products do not directly or indirectly contribute to the funding of conflict and/or terrorism.

Goldlake will neither tolerate nor profit from, contribute to, assist or facilitate the commission of:

- Torture, cruel, inhuman and degrading treatment;
- Forced or compulsory labour;
- The worst forms of child labour;
- Human rights violations and abuses;
- War crimes, violations of international humanitarian law, crimes against humanity or genocide.

We will not deal with, and will immediately discontinue engagement with, upstream suppliers where we identify a reasonable risk that they are committing, or are sourcing from or linked to any party committing, abuses described above.

Non-state armed groups

We will not tolerate direct or indirect support to non-state armed groups, including, but not limited to, procuring gold from, making payments to or otherwise providing assistance or equipment to, non-state armed groups or their affiliates who illegally:

- Control mine sites, transportation routes, points where gold is traded and upstream actors in the supply chain; and/or
- Tax or extort money or gold at mine sites, along transportation routes or at points where gold is traded, or from intermediaries, export companies or international traders.

We have developed internal management systems to ensure respect for international standards of human rights across all areas including: diversity; indigenous peoples; use of security personnel; fair wages; working conditions; forced and child labour and freedom of association and collective bargaining. Our operations are expected to engage in open dialogue with neighbouring communities and their representatives - governmental and non-governmental - so as to ensure issues from our operations are anticipated, identified and managed before our employees or neighbours of the company are placed at risk. Goldlake ensures any incidents of non-compliance with international standards of human rights are investigated and addressed in an appropriate manner without compromising the confidentiality, or placing at risk any individuals or groups involved.

January 2015

Giuseppe Colajacovo
