

## CAUTIVO MINING INC.

### DISCLOSURE POLICY

#### 1. Purpose

Cautivo Mining Inc. (“**Cautivo**”) is committed to providing timely, consistent and credible information, in compliance with Canadian securities laws governing corporate disclosure and confidentiality, and the policies of the Canadian Securities Exchange (the “**CSE**”), including its Policy 5 dealing with timely disclosure.

This disclosure policy (this “**Policy**”) confirms in writing Cautivo’s policies and practices. Its goal is to develop and maintain realistic investor expectations with respect to Cautivo’s status and prospects for future performance by making all required disclosures on a broadly disseminated basis. Cautivo also wishes to ensure that the media are provided with factual and accurate information.

#### 2. Scope

This Policy extends to directors, officers, employees and, as appropriate, to consultants and advisors, of Cautivo and its subsidiaries. The Policy covers disclosures in documents filed with the securities regulatory authorities and filed or posted with stock exchanges, written statements made in Cautivo’s annual and quarterly reports, news releases, letters to shareholders, speeches by senior management and information contained on Cautivo’s website and other electronic communications. This Policy extends to verbal statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as press conferences and conference calls.

Reference should also be made to Cautivo’s (a) **Code of Conduct and Ethics** and (b) **Insider Trading Policy** which sets out trading restrictions, tipping prohibitions and blackout periods applicable to directors and officers and such other employees of Cautivo who have access to material undisclosed information.

References to “Cautivo” in this Policy include its subsidiaries, unless the context otherwise requires.

#### 3. Disclosure Committee

Cautivo’s Disclosure Committee (the “**Committee**”) sets overall policy on disclosure and includes the Chief Executive Officer (“**CEO**”) who acts as Chair, the Chief Financial Officer (“**CFO**”) and such other persons that the foregoing may appoint from time to time.

The Committee shall be responsible for ensuring compliance with the policies and procedures contained herein regarding the review and release of any information concerning Cautivo to the public. The Committee shall ensure, at a minimum, that: (i) all disclosure concerning Cautivo is made in compliance with applicable statutory and regulatory requirements and is approved by one of the CEO or CFO prior to release; and (ii) in addition, all prospectuses, information circulars, take-over bid circulars, issuer bid circulars, directors’ circulars, rights offering circulars, financial statements, management’s discussion and analyses, business acquisition reports and annual information forms are approved by Cautivo’s board of directors (the “**Board**”) prior to release.

As soon as senior executives of Cautivo become aware of pending material developments that may have an impact on the disclosure requirements, they are required to inform at least one member of the Committee. As Chair of the Committee, the CEO is accountable for determining whether the information is material.

#### **4. Designated Spokespersons**

The CEO is designated as the primary spokesperson for Cautivo and is responsible for making major announcements regarding Cautivo's activities and operations and policies that have been adopted by the Board, and responding to questions about policies and activities. There will be no contact between Cautivo's representatives and the media without the consultation or involvement of the CEO or, in the CEO's absence, the CFO. The CEO may from time to time designate others within Cautivo to respond to specific inquiries as necessary or appropriate.

A third party investor relations service may also be delegated to respond to specific inquiries as necessary or appropriate. In addition, the CEO of each subsidiary of Cautivo is authorized to act as spokesperson for disclosures specific to the operation of its organization.

Directors, officers and employees who are not authorized spokespersons shall be instructed to refer all calls from the financial community, shareholders and media to the CEO or, in the CEO's absence, the CFO. Calls for general information may be directed to Cautivo's other senior officers or to any contracted investor relations service.

#### **5. Electronic Communications**

The Committee is responsible for electronic communications. The Committee will be responsible for creating and for monitoring all information placed on the website to ensure that it is accurate, not misleading, up to date and in compliance with relevant securities laws. Any material changes in information shall be updated promptly.

The Committee is also responsible for arranging for the posting on CSE's website all documents required to be posted by it pursuant to the policies of CSE, including, if required, all public documents filed on System for Electronic Document Analysis and Retrieval (SEDAR).

Disclosure on Cautivo's website or CSE's website, alone, does not constitute adequate disclosure of information that is considered material non-public information. Therefore, any disclosure of material information on such websites will be preceded or accompanied by a news release.

The website will provide an e-mail link so users can communicate directly with a representative of Cautivo. The Committee shall be responsible for responses to such electronic inquiries. Responses to routine inquiries may be delegated by the Committee. Only public information or information which has otherwise been disclosed in accordance with this Policy shall be utilized in responding to electronic inquiries.

Directors, officers and employees of Cautivo are prohibited from participating in internet chat room, newsgroup or similar venue discussions on matters pertaining to Cautivo's activities or its securities. Directors, officers or employees who encounter a chat room, newsgroup or similar venue discussion by a director, officer, employee, consultant or advisor to Cautivo and pertaining to Cautivo should advise the Committee immediately.

## **6. Material Information**

Material information (“**material information**”) consists of both material changes and material facts. A “**material change**” in relation to the affairs of Cautivo means a change in the business, operations or capital of Cautivo or any significant subsidiary that would reasonably be expected to have a significant effect on the market price or value of any of the securities of Cautivo, or a decision to implement such a change made by: (a) the Board or (b) senior management of Cautivo who believe that confirmation of the decision by the Board is probable. A “**material fact**” in relation to securities issued or proposed to be issued by Cautivo means a fact that would reasonably be expected to have a significant effect on the market price or value of such securities.

A good rule of thumb is that if the information would influence an employee’s decision to buy or sell securities of Cautivo, the information is probably material information. If an employee is unsure whether or not information is material, they should immediately contact a member of the Committee before disclosing it to anyone. Please refer to Schedule A of Cautivo’s Insider Trading Policy for other examples of potentially material information.

The CSE also requires disclosure of information that is necessary to avoid the creation or continuation of a false market in the issuer’s securities. It encourages issuers to consult the designated regulation services provider of the exchange (the “**Market Regulator**”) on a confidential basis as to whether a particular event gives rise to material information.

## **7. Principles for Disclosure of Material Information**

In complying with the requirement to disclose forthwith all material information under applicable laws and stock exchange rules, the following basic disclosure rules will be observed:

- (a) Material information will be publicly disclosed, unless it is determined by the Committee that such disclosure would be unduly detrimental to the interests of Cautivo and Cautivo complies with any applicable requirements under Canadian securities laws, including, if applicable, to file a confidential material change report.
- (b) Disclosure must include any information which, if omitted, would make the rest of the disclosure misleading.
- (c) Unfavourable material information must be disclosed as promptly and completely as favourable material information.
- (d) Previously undisclosed material information must not be disclosed selectively. If such information has been inadvertently disclosed to an analyst or any other person, it must be generally disclosed immediately by news release.
- (e) Press releases must be balanced and not overly promotional.
- (f) Disclosure must be updated promptly if earlier disclosure has become misleading as a result of intervening events.

The Committee will determine whether the material information constitutes a material change, in which case, Cautivo will file a material change report with the relevant securities regulatory authorities or exchanges within the required time period (currently 10 days).

The Board will be kept aware of all significant information disseminated to the public. To avoid premature or selective disclosure or inadvertent insider trading, Board members and other insiders will be informed of all pending material developments concerning Cautivo.

## **8. Expertized Disclosure**

Prior to any public statement or disclosure, filing or posting with a securities regulatory authority or exchange by Cautivo or by a person on behalf of Cautivo that includes, summarizes or quotes from a report, statement or opinion made by an “expert” (within the meaning of applicable Canadian securities laws) and unless the Committee determines otherwise, Cautivo shall obtain the written consent of such expert to such statement, disclosure or filing (which has not been withdrawn in writing by the expert prior to such disclosure or filing). The Committee shall make reasonable efforts to determine that Cautivo or the relevant person does not know and has no reasonable grounds to believe that there is a misrepresentation in the applicable statement, disclosure or filing made on the authority of the expert and to determine that it fairly represents the report, statement or opinion made by the expert.

## **9. When Information may be Kept Confidential**

Where the immediate disclosure of material information concerning the business and affairs of Cautivo would be unduly detrimental to the interests of Cautivo, its disclosure may be delayed and kept confidential temporarily provided that Cautivo complies with any applicable requirements under Canadian securities laws, including, if applicable, to file a confidential material change report. Keeping information confidential can only be justified where the potential harm to Cautivo which could be caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure. Examples of circumstances in which disclosure might be unduly detrimental to the interests of Cautivo include:

- (a) where the release of information would prejudice the ability of Cautivo to pursue specific and limited objectives or to complete a transaction or series of transactions that are underway;
- (b) where the disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them; and
- (c) where the disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations.

The Committee will be responsible for ensuring any required confidential material change report is properly filed with the applicable securities regulatory authorities or exchange and ensuring compliance with applicable securities laws and the policies of the CSE pertaining to confidential material change reports.

In the event of any unintentional selective disclosure of material non-public information, Cautivo shall make immediate public disclosure of such information, including contacting the CSE and requesting that trading be halted pending the issuance of a news release. Pending the public release of the material information, Cautivo will tell those parties who have knowledge of the information that such information is material and has not been generally disclosed.

## **10. Insider Trading**

Securities laws prohibit insider trading with undisclosed material information or tipping. Trading of listed securities of Cautivo and other reporting issuers is governed by Cautivo’s Insider Trading Policy.

## **11. News Releases**

Once the Committee determines that a development is material, it will authorize the drafting of a news release, unless such development must remain confidential for a certain time. In such circumstances, appropriate control of the non-public material information will be enforced and such information must not be disclosed to any officers, employees or third parties except in the necessary course of Cautivo's business and on a "need-to-know" basis. Should material information be disclosed in a selective forum, a news release will be issued immediately in order to fully publicly disclose that information.

Cautivo will ensure that the Board or the Audit Committee of the Board review any financial outlooks and forward looking financial information and news releases containing financial information based on its financial statements prior to the release of such statements.

Once approved by the Committee, news releases will be disseminated through a news wire service that provides national simultaneous disclosure. If the stock exchange listing Cautivo's shares is open for trading at the time of a proposed announcement, prior notice will be provided, where practicable, to the Market Regulator. If the announcement is issued outside of normal trading hours, the Market Regulator will be notified where practicable before the market opens. The press release will not be posted on Cautivo's website until it has been disseminated by the news wire service.

## **12. Conference Calls**

Conference calls may be held for quarterly earnings and major corporate developments, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the Internet. The call will be preceded by a news release containing all relevant material information. At the beginning of the call, a Cautivo spokesperson will provide appropriate cautionary language.

Cautivo will provide advance notice of the conference call and webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and webcast. In addition, Cautivo may send invitations to analysts, institutional investors, the media and others invited to participate. A tape recording of the conference call and/or an archived audio webcast on the Internet will be made available following the call for a reasonable period of time, for anyone interested in listening to a replay.

## **13. Rumours**

Provided it is clear that Cautivo and related entities are not the source of the market rumour, spokespersons will consistently respond by saying "It is our policy not to comment on market rumours or speculation". Should a stock exchange request a definitive statement be issued in response to a market rumour that is causing significant volatility in the securities of Cautivo, the Committee will consider the matter and decide on an appropriate response.

The CEO or the Board will recommend an appropriate course of action where Cautivo or a director, officer or employee of Cautivo is the apparent source of the rumour.

## **14. Forward-Looking Information**

Cautivo should only release forward-looking information in limited circumstances to enable the investment community to better evaluate Cautivo and its prospects. The CSE mandates disclosure where a significant increase or decrease in earnings is indicated in the near future, such as the next quarter. Cautivo will not disclose significant data, and, in particular, financial information or earnings forecasts

which would be material information, to analysts or investors unless such data or information had previously been publicly disseminated.

Should Cautivo elect to disclose forward-looking information in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed:

- (a) The information, if deemed material, will be broadly disseminated via news release, in accordance with this Policy.
- (b) The information will be clearly identified as forward-looking.
- (c) The information will be accompanied by cautionary language that actual results may vary from the forward-looking information and a statement that identifies material factors that may cause the actual results to differ materially from those projected in the statement and a description of the factors or assumptions that were used in making the forward looking statement.

In case of a verbal forward-looking statement, the spokesperson will use cautionary language or refer to the cautionary language included in public disclosure documents which include the items set out in the foregoing paragraph.

- (d) The information will be accompanied by a statement that disclaims Cautivo's intention or obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. Cautivo may update forward-looking statements, as appropriate, in a news release if subsequent events prove any such information to be materially incorrect.
- (e) Cautivo will comply with the requirements set out in National Instrument 51-102 *Continuous Disclosure Obligations* with respect to the comparison of actual results with such forward looking statements where appropriate.

## **15. Contact with Analysts and Investors**

Cautivo recognizes that meetings with analysts and significant investors are important investor relations activities. Cautivo will provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information and will provide the same information that has been provided to analysts to individual investors who request it.

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If Cautivo intends to announce material information at an analyst or shareholders meeting or during a news conference or conference call, then the announcement must be preceded or accompanied by a news release.

From time to time, Cautivo may at its discretion participate in industry conferences or host group meetings with the investment community. When appropriate, a portion or all of Cautivo's presentation at any such events will be posted to Cautivo's website for a reasonable period of time.

## **16. Quiet Periods**

To avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, Cautivo will observe quiet periods prior to quarterly financial results announcements or when material changes are pending. Regular quiet periods will commence one week before the end of a quarter and end with the issuance of a news release disclosing results for the quarter just ended. If Cautivo is

invited to participate during a quiet period in investment meetings or conferences organized by others, the Committee will determine, on a case-by-case basis, if it is advisable to accept these invitations. If accepted, extreme caution will be exercised to avoid selective disclosure of any material, non-public information.

#### **17. Analyst Reports and Models**

Cautivo may, but is not required to, review, upon request, analysts' financial models or drafts of research reports for factual content only (not soft information). When analysts inquire with respect to estimates, Cautivo may but is not required to: (1) acknowledge what the range of estimates is, if any; (2) refer the analysts to Cautivo's published guidance, if any; and (3) give guidance when assumptions have been made on the basis of errors in historical fact or incorrect data that result in unrealistic conclusions. Cautivo will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and estimates. This review process will be conducted orally with the analyst. It is imperative that the control of this process be centralized through the CEO or the CFO.

Should Cautivo determine that earnings will likely be out of the range of the estimates for the current quarter, then it may, but is not required to, issue a broadly disseminated news release, followed by, at management's discretion, individual or group calls to analysts and significant investors to further explain the reason or reasons why. This would be done to avoid "surprises" to the extent possible.

Cautivo will not post analyst reports on its website, although Cautivo may elect to post on its website or otherwise publish the names of all analysts who cover Cautivo.

#### **18. Communication and Administration**

All directors, officers and employees of Cautivo will be provided with a copy of this Policy. Any director, officer, employee, consultant or advisor who violates this Policy may face disciplinary action up to and including termination of his or her employment or appointment without notice. The violation of this Policy may also violate certain securities laws. If it appears that a director, officer, employee, consultant or advisor may have violated such securities laws, then the matter may be referred to the appropriate regulatory authorities.

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