



Anti-corruption Policy

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Introduction

Golden Queen Mining Co. Ltd. and its subsidiaries (the “Company”) expects that all of its directors, officers, employees and third-party providers will comply with this Anti-corruption Policy (the “Policy”), the U.S. Foreign Corrupt Practices Act (the “FCPA”) and the Canadian Corruption of Foreign Public Officials Act (the “CFPOA”), as well as any other local anti-corruption laws of countries in which the Company operates. The Company strives to maintain the highest ethical standards and seeks to avoid even the appearance of impropriety. The Policy is designed not just to comply with the FCPA and the CFPOA, and local anti-corruption laws, but also to avoid even the appearance of questionable conduct in connection with the Company’s operations.

Failure to comply with the Policy could, at the very least, damage the reputation of the Company as a good corporate citizen and could result in violations of laws. Not only may the Company be subject to fines, penalties and other criminal remedies, but individual employees could be charged with criminal violations, resulting in fines, penalties and possible imprisonment. The Company will not tolerate illegal or non-compliant behavior under any circumstances.

Employees are encouraged to seek guidance from senior management or advice from the Company’s legal counsel on issues concerning the Policy or on issues that are not fully addressed in the Policy.

Assisting in Investigations

It is the obligation of directors, officers, employees, third-party providers, and other entities or people acting on behalf of the Company in any capacity, to assist and cooperate in any investigation of a potential violation of any anti-corruption laws or the Policy. In addition, the Company expects to cooperate with government agencies in the proper performance of their duties to the fullest extent permissible under the Policy, even when not mandated by law or judicial decree. To ensure the Company’s compliance and cooperation commitments are met, the Company’s President or the Audit Committee Chair should be informed immediately of any request for information or inquiry by a government agency.

Reporting Potential Violations of the Policy

The Company expects and requires that any director, officer, employee or third-party provider acting on the Company’s behalf who becomes aware of any actual or potentially illegal or questionable activity, to report this to the Company.

Employees shall not be subject to Company reprisal for making a report under the Policy in good faith. Employees can also report information anonymously by following the procedures set out in the Company’s Whistle-blower Policy.

Summary of Policy

No direct payments to obtain or retain business

The Company and its directors, officers and employees shall not make payments or give other benefits to individuals with decision-making authority who are employed by the Company's customers or suppliers of goods and services (or their family members), or any government official or employee (or their family members) in order to receive or maintain business, restrict, damage or harm our competitors, or otherwise achieve unfair business advantage.

No indirect payments to obtain or retain business

The Company will not use third-party providers, other entities or persons acting on its behalf to make or facilitate such payments. All such relationships must be reviewed and approved in advance by the Company's senior management, following appropriate due diligence into the backgrounds and qualifications of such individuals or entities, and subject to standard contract terms approved by the Company. Engagement, renewal and termination of third-party providers is managed by the Company's senior management. The Company's senior management is also responsible for reviewing agreements with entities or people acting on behalf of the Company to ensure that they comply with the Policy.

Limited payments for travel and entertainment

Payments made for travel, lodging, entertainment or gifts for government officials are permissible only under limited circumstances and must be pre-approved by the Company's senior management.

Accounting records must accurately reflect transactions

All books, records, accounting entries, expense reports, invoices and other "records" must completely and truthfully reflect the purpose, intent and amount of the actual transactions reflected therein. Making an improper payment and attempting to hide or disguise that payment in the Company's books and records is a separate and distinct violation of the Policy.

Violation of the Policy may subject a director, officer or employee of the Company to appropriate discipline, including termination of employment, and may result in the termination of business relationships with third-party providers, other entities or people acting on the Company's behalf.

Bribery and Other Payments

No director, officer or employee of the Company may offer, give, or promise to give money or anything else of value, or authorize such payment or gift by a third-party provider, other entity or person acting on the Company's behalf, to any official or employee of any department, agency or instrumentality of any government or any third party acting on behalf of a government (e.g. third-party purchasing agents or consultants), nor to any officer, director, employee or agent of any customer or supplier of goods and services, for the purpose of influencing any act or decision of such person relating to the awarding, maintaining, renewing, extending or otherwise relating to business with that government, customer or supplier of goods and services, or otherwise granting a business advantage to the Company.

It is also unlawful and against the Policy for any director, officer or employee of the Company to give, directly or indirectly, money or anything of value to a third-party provider, other entity or person acting on the Company's behalf, to accomplish the above prohibited purposes or to authorize any such payment, gift or other thing of value. Thus, employees dealing with such third parties must take appropriate measures to ensure that they do not carry out an improper payment or promise to pay.

The narrow exceptions to the general prohibition on any payments to government officials or customers or suppliers of goods and services are set forth below.

Entertainment, Travel Expenses and Meals

Providing entertainment, travel expenses and meals is a permissible benefit that may be given to customers or suppliers of goods and services in limited circumstances. Under no circumstances should these benefits be given to anyone who is not a customer or potential customer or supplier of goods and services. These benefits are strictly limited to expenses that are directly related to legitimate business purposes. They may not be lavish and must be approved by the Company's senior management *before* such expenditures are made. In addition to limitations placed on these expenses by the Policy, be aware that certain customer policies, policies of suppliers of goods and services, government ethics policies and local law also limit receipt of such benefits. At all times, employees should take into consideration such policies and should comply with government ethics policies and local laws.

In general, the following guidelines apply to such payments:

All entertainment, travel expenses and meals must have a reasonable relationship to a legitimate business purpose

- A legitimate business purpose means that it is directly related to the promotion, demonstration, or explanation of the Company's business, or to the execution or performance of a contract; and
- It also means that family members of customers or potential customers or suppliers of goods and services may not participate in activities or travel paid for by the Company.

Expenses should be "reasonable" under the circumstances

- The Company should not pay for lavish meals, beverages or lodging; and
- Generally speaking, the Company will only pay for economy or coach airfare (not business or first class airfare).

Entertainment should be limited and reasonable

- The entertainment level should avoid even the appearance of impropriety; and
- The entertainment costs should be unmistakably reasonable.

No expenses paid for by the Company should benefit an individual

- Per diem payments should be avoided and cash payments of any kind are prohibited. Further, payment of per diems must receive prior approval from the Company's senior management and must not be made to cover business expenses already otherwise paid for by the Company;

- Payments should be made directly to vendors (for example, to an airline, hotel or car rental company) whenever possible; and
- All expenses paid must be transparent to the customer's management or the management of the supplier of goods and services.

Contract terms may not circumvent these requirements

- It must be made clear, preferably in the language of any contract, that travel or any expenses will be business-related; and
- The Company will not pay for entertainment or travel during weekends or public holidays, but will pay for lodging and per diem expenses if called for in the contract and if the employee is required to be present during that time for legitimate business reasons (including such situations where the event, such as a training, lasts for more than a week).

All payments for entertainment, travel expenses and meals must be accurately reflected in the Company's books

Gifts

Small gifts of nominal value (i.e. under \$15) may be permissible if they are directly related to the promotion of goodwill (for example, gifts with the Company's logo) or execution of a Company contract. They may only be given if the gift is not intended to influence the acts of any customers, potential customers, supplier of goods and services, or any government official.

- Gifts of cash are prohibited under any circumstances;
- Employees should avoid a regular pattern of giving even small gifts because it may take on the appearance of bribery; and
- Any gifts given to government officials, even those of nominal value, must be pre-approved by the Company's senior management.

In addition to limitations placed on gifts by the Policy, be aware that certain customer policies, policies of suppliers of goods and services, government ethics policies and local law also limit receipt of gifts. At all times, employees should take into consideration such policies and should comply with government ethics policies and local laws.

In addition, employees are not permitted to receive gifts from any customer, supplier of goods and services, third-party provider, or other entities or people acting on the Company's behalf. If anything more than a gift of nominal value (i.e. under \$15) is received by a Company employee, it should be reported to the Company's senior management.

Charitable and Political Contributions

Donating money to a charity or making political contributions at the request or implied request of a government official is considered to be a thing of value for anti-corruption purposes. Therefore, it is not permissible to make charitable contributions, political contributions or other payments at the request of a government official. In addition, because political contributions to a government official or candidate can be interpreted as a bribe, all political contributions must be preapproved by the Company's senior management.

Third-Party Providers

Because the Company may be liable for payments made by third parties on its behalf, there must be proper controls concerning the selection, vetting, approval and renewal of contracts with third-party providers and all payments of commissions, fees or other payments to them.

It is the responsibility of the Company's senior management to identify appropriate local agents who might assist the Company in conducting its business. Local agents engaging in sales and business development are the highest risk agents. Special care should be taken if the proposed agent is a former government official or if any immediate family member of the proposed agent is a current government official.

If retained, the agent must execute a standard contract prepared by the Company, specifying the commissions, fees or other compensation the agent is entitled to. All such fees must be reasonable under the circumstances, considering the expertise and background of the agent; the amount of time and effort expended on the given opportunity; the amount of out-of-pocket cost incurred by the agent; and any post-engagement responsibility the agent may have. Discretionary bonuses should be avoided and may only be paid in rare circumstances and after approval by the Company's senior management.

In addition, a third-party provider and any other third-party entities hired:

- Must undergo a background check;
- Must agree to maintain separate books and records relating to its business with the Company;
- Must allow the Company to audit those books and records;
- Must sign representations and warranties that they have not and will not violate any anti-corruption law;
- Must give yearly certifications of compliance with anti-corruption laws and specific Company policies as required to by the Company from time to time; and
- Must undergo a renewal process at least every two years.

The Company and its employees may be held liable for the acts of third parties that act on behalf of the Company. Therefore, it is imperative that the Company's senior management inquire into circumstances that indicate that a representative may have acted improperly or illegally, either before or after they are retained by the Company.

Mergers, Acquisitions and Joint Ventures

The Company must conduct anti-corruption due diligence on any entity it seeks to merge with, acquire or enter into a joint venture with. Areas of due diligence should include the following as may be applicable and appropriate to the transaction:

- Government affiliations and ownership of a target company/joint venture;
- Prior corruption violations;
- Existing anti-corruption compliance programs;
- Adequacy of books, records and internal controls and procedures;
- Background checks;
- Business/banking references;
- Third-party validation services;
- Anti-corruption covenants and representations and warranties;
- Due diligence done by the target company/joint venture on third parties or consultants used by the target company/joint venture;
- Charitable contributions made by the target company/joint venture, including how much money was contributed, government affiliations with the charities and the countries where the charities are located; and
- Analysis of the risk level of the countries in which the target company/joint venture operates.

For an acquisition, the acquiring company often has successor liability for corruption violations conducted by the acquired company. Therefore, the Company must evaluate any discovered corruption issues in deciding whether or not to conclude the transaction.

In the context of a joint venture, the Company should establish internal controls in the joint venture, including an anti-corruption compliance program. In addition to getting representations and regular certifications from the joint venture partner that it has not violated and will not violate anti-corruption laws and policies, the joint venture agreement should have similar provisions applicable to the joint venture itself.

If any employee hears of anything indicating that a joint venture, joint venture partner or target company may have acted improperly or illegally, he should report it to the Company's senior management or follow the procedures contained in the Company's Whistle-blower Policy.

Books and Records and Internal Controls and Procedures

In order to comply with anti-corruption laws and to meet the high ethical and business standards that the Company expects and requires, all transactions or payments that the Company is involved in must be accurately reflected in the Company's accounting records.

Company books and records must be kept in reasonable detail and accurately and fairly reflect transactions and disposition of assets of the Company. For the purpose of transaction approval and/or classification, documentation provided as support must accurately explain the purpose of the transaction. When these transactions are being reviewed, any lack of transparency requires follow-up questions and requests for explanations. Finally, supporting documentation must reconcile the full amount of the expenditure.

Internal controls and procedures must provide "reasonable assurances" that:

- Transactions are executed in accordance with senior management's general or specific authorization;
- Transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable GAAP or any other criteria applicable to such statements, and to maintain accountability for assets;
- Recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
- Control level and type of expense authorization are based on employee position and responsibilities:
 - All expenses submitted for reimbursement must have been incurred by the individual submitting the expense report. A supervisor or manager should never have a more junior employee submit expenses on their behalf.
 - The types of expenses included on a reimbursement form must make sense based on the position of the employee submitting the form.
 - If the type of expense does not make sense for the job position (for example, sales expenses from a secretary) then further questioning should be performed.
 - Expense reports should be reviewed and approved by a different, more senior, employee and comply with the Company's delegation of authority.
- Payments to vendors are not processed through employee expense reimbursements.

Senior management should determine whether or not existing controls and procedures prevent illegal, improper or questionable payments, and whether or not they are adequate to detect and prevent off-book transactions. Internal controls and procedures should be periodically reviewed to ensure compliance with the Policy.

Any false or misleading accounting entry or unrecorded or mischaracterized funds, or any control deficiencies that are discovered, should be reported to the Company's senior management or follow the procedures in the Company's Whistle-blower Policy.

Training and Certification

Company directors, officers and employees are required to review this Policy, to review any updates and notices related to this Policy when provided to them, and to participate in information sessions or other educational aides related to this Policy that the Company may provide notice of from time to time.

Company directors, officers, and management must provide a certificate on request by the Company, confirming compliance with this Policy, and the Company may establish procedures when appropriate to require that such certificate be provided at least once per Calendar year.

Approved: June 2012

Amended: December 2014