



GOLDGROUP MINING INC.

HARASSMENT POLICY

1. PURPOSE OF POLICY

Goldgroup Mining Inc. will not tolerate harassment of its employees by anyone within or outside the organization.

The purpose of this policy is to ensure that all employees are aware that harassment on any grounds listed in this policy is prohibited.

2. DEFINITIONS

In this document “Goldgroup” refers to Goldgroup Mining Inc.

For the purposes of this policy, the words “employee” and “staff” include, as applicable, all employees regardless of position with Goldgroup, any consultants, contractors, board members or volunteers.

In this document the words “superior” refers to a manager, vice president, CFO, President, CEO, chairman and members of the board of directors.

3. THE LAW

Among the purposes of the British Columbia Human Rights Code (the “Code”) are the prevention of discrimination prohibited by the Code, the identification and elimination of persistent patterns of inequality associated with discrimination, and the provision of a means of redress for those persons who are discriminated against contrary to the Code. The Code prohibits discrimination in the workplace, in the provision of services and facilities to the public, in relation to residential tenancies and the property ownership, and the distribution of materials that indicate an intention to discriminate or incite hatred. The Code contains specific provisions on each of these subjects.

An essential principle in human rights law is that the most important concern is the effect, or consequences, of actions on others. Sometimes a person is not aware that his or her actions are discriminatory. There may have been no intention to discriminate. However, the intention of the person contravening the Code is not relevant to determining whether a person has been a victim of the discrimination.

The Code prohibits discrimination in employment because of race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability, sex, sexual orientation, age and conviction for a criminal or summary conviction offence unrelated to employment. The prohibition of discrimination in employment includes discrimination in employment advertising, refusing to employ or terminating employment, and discriminatory terms or conditions of employment.

Harassment based on one or more of the grounds of discrimination is a particular type of discrimination prohibited by the Code.

4. DEFINITION OF HARASSMENT

Harassment is any behaviour that demeans, humiliates, or embarrasses a person, and that a reasonable person should have known would be unwelcome. It includes actions (ie. touching, pushing) comments (ie. jokes, name-calling) or displays (ie. posters, cartoons). It may be a single incident or continue over time.

Harassment is any action that makes a colleague, employee, or client feel degraded, humiliated, or embarrassed. It includes, but is not limited to, jokes, comments, insults, touching, pinching, leering, posters, cartoons, email, and telephone calls. It includes conditions of employment that are degrading, humiliating, or sexual, and requests ie. for sex, that the employee believes he or she must go along with to keep the job or get a promotion, raise transfer, or some other benefit of employment, or to avoid being penalized.

i. Some examples of harassment include:

- Unwelcome remarks, slurs, jokes, taunts, or suggestions about a person's body, clothing, race, national or ethnic origin, colour, religion, age, sex, marital status, family status, physical or mental disability, sexual orientation, criminal or summary conviction, or other personal characteristics;
- Unwelcome sexual remarks, invitations, or requests (including persistent, unwanted contact after the end of a relationship);
- Displays of sexually explicitly, sexist, racist or other offensive or derogatory material;
- Written or verbal abuse or threats;
- Practical jokes that embarrass or insult someone;
- Leering (suggestive staring) or other offensive gestures;
- Unwelcome physical contact, such as patting, touching, pinching, hitting;
- Patronizing or condescending behaviour;
- Humiliating an employee in front of co-workers;
- Vandalism of personal property; and,
- Physical or sexual assault

Harassment can take place in the workplace itself, or outside of the workplace in a situation that is in some way connected to work. For example, during delivery trips, off-site meetings, business trips, and any other event or place related to employment. Harassment will not be tolerated in any work-related place or at any work-related event.

ii. Sexual harassment

Sexual harassment includes offensive or humiliating behaviour that is related to a person's sex, as well as behaviour of a sexual nature that creates an intimidating, hostile, or "poisoned" work environment, or that could reasonably be thought to put sexual conditions on a person's job or employment opportunities. A few examples are: question and discussions about a person's sexual life; touching a person in a sexual way; commenting on someone's sexual attractiveness or sexual unattractiveness; persisting in asking for a date after having been refused; telling a woman she belongs at home or is not

suited for a particular job; eyeing someone in a suggestive way; displaying cartoons or posters of a sexual nature; or writing sexually suggestive letters or notes.

Sexual harassment is frequently more about power than about sex. It often occurs in situations where there is unequal power between the people involved, and is an attempt by one person to assert power over the other. The harassment can also occur when an individual is in a vulnerable position because he or she is in the minority – the only woman, member of a visible minority, aboriginal person or person with a disability – and is, for example, ostracized by colleagues.

If the person who is accused of harassment should have known that the behaviour was unwelcome, he or she may be considered responsible even for unintentional harassment. If an employer or manager knew or should have known that an inappropriate situation existed, and did nothing about it, liability may be imposed on that person.

iii. What is not Harassment?

1. Consensual Banter or Relationships

Two or more employees bantering back and forth is not harassment if everyone involved is in agreement. But if any employee, including an employee not directly involved in the banter, feels uncomfortable with this behaviour, and the behaviour continues even after that person has expressed their discomfort, or if the others involved should have known the person was uncomfortable, then it is harassment.

This type of harassment can create what is known as a “poisoned work environment”, where employees do not feel safe or feel consistently humiliated.

Employees flirting with each other, or becoming involved in a romantic or sexual relationship, are not harassing each other, as long as the relationship is consensual. If one of the employees changes her or his mind, and the other person persists trying to continue the relationship, this is harassment.

2. Legitimate Management Intervention

Appropriate performance reviews, counselling and discipline are not harassment.

5. EMPLOYEES’ RIGHTS AND RESPONSIBILITIES

This section will tell employees how they can expect to be treated at work, and what employees’ responsibilities are toward co-workers, supervisors, and the public. Specific information about the complaint process is in the Procedures section, below.

i. Respect others

Each employee has the right to be treated fairly and respectfully in the workplace. Each employee also has the responsibility to treat co-workers and customers in a way that respects individual differences. No matter what your position, or that of the people with whom you interact at work, showing mutual

respect and consideration will make work easier for all of us. If you have doubts about whether a joke, comment, or other behaviour will embarrass, humiliate, degrade or otherwise bother someone, then don't say or do it.

ii. Speak up

If someone behaves in a way that offends harms, humiliates, or degrades you, do not put up with it. First, if you feel that you can speak to that person, do so. Let them know how you feel. Tell them the behaviour is inappropriate. If they continue the behaviour, or if you do not feel you can speak directly to the person, you have several options, from speaking to a superior to filing a formal complaint.

For more details, see the Procedures section of this policy.

iii. Report harassment

If you observe a co-worker or other person behaving in a way that seems to be embarrassing or harassing someone else, you can and should speak up. You can let them know in a respectful way that you think the behaviour is inappropriate. If you think someone is being harassed, you can let that person know you support him or her in ending the situation. Depending on the circumstances, you may want to say something as the behaviour is happening, or you may decide to speak privately with either of the people involved. You can also speak with a superior although you may want to check first with the person whom you believe is being harassed. They may not want to report the harassment, or may want to deal with it themselves.

All staff has a responsibility to co-operate in the investigation of a harassment complaint. Anyone who gives evidence in an investigation, or who is otherwise involved in the process, must keep this information confidential, except as is necessary to deal effectively with the complaint. These are serious issues, and people's privacy must be respected. Even once a complaint is resolved, confidentiality and respect for privacy are important.

6. EMPLOYERS' AND MANAGERS' RESPONSIBILITIES

i. Put a stop to harassment

Goldgroup has full responsibility for making sure our work environment is free from harassment. All managers at Goldgroup also have a responsibility to stop harassment. If you, as a manager, become aware of harassment in your work area, or elsewhere in the organization, you must do everything you can to stop it, whether or not a complaint has been made. You cannot turn a blind eye. If a reasonable person should have known that harassment was going on, you will still be held responsible if you let the situation continue. Managers who ignore harassment will not only face legal responsibility, but will be disciplined by Goldgroup.

ii. Be aware

Being aware of the following things can help alert you to problem situations:

- An unexplained change in an employee's performance;
- Someone suddenly taking more sick leave;
- An employee isolating her or himself, seeming distracted;
- Not participating in office socializing;
- Rumours; or,
- Awkwardness or discomfort between two or more employees.

iii. Listen to employees

If something doesn't seem right, talk to the employee you are worried about. Often, having someone listen to them can help a person talk about a problem. Of course, we encourage managers to be sensitive to employees' rights and dignity, and to keep these discussions and any ensuing discussions confidential, except as is absolutely necessary to effectively deal with any complaint.

iv. Coordination

If a harassment issue arises any superior who becomes aware of a harassment issue will notify the CFO or report through the Company's Whistleblower Hotline as outlined in the Whistleblower Policy. as to the dates and progress of resolution.

7. ANTI-HARASSMENT POLICY PROCEDURES

i. If you are being harassed

The following steps will tell you what to do if you or someone else is being harassed. This section will also tell you exactly what you can expect from the complaint process, what the possible remedies and penalties for harassment are, how to appeal and how to give feedback on this policy to Goldgroup.

1. Speak Up

The first thing to do if you are being harassed is to tell the person harassing you to stop, if possible. Let them know that you are embarrassed, humiliated, demeaned, or otherwise bothered by what they are doing or saying. You could speak to the person directly, or write them a letter. If you write a letter, date it and keep a copy. If you speak to them, you may want to tell a trusted friend what they have done and why. Often, a person may not be aware that her or his behaviour is bothersome, and will change the behaviour once they realize this.

2. Make Notes

You should also make a note of what the bothersome behaviour was, the date it happened, how you felt, what you did about it, and who else was present, if there were witnesses.

Ideally, the harassment will stop. If it does not, continue to keep notes. These will be useful later, if there is an investigation.

3. Informal Procedures

Speak to your supervisor. It may be that communicating directly with the person will not be enough, or that you feel unable to deal with her or him directly. In that case, you can speak to another manager, or if you feel that is inappropriate, a Vice President, CFO, President/CEO, Chairman or one of the Board of Directors.

The superior you speak to will ask you for details of what happened, will make sure you understand the policy and any other options you have (such as a human rights complaint), and will ask how you want to proceed. You may ask them to help you write a letter or to speak to the harasser on your behalf. You may ask them to arrange for mediation between you and the person whose behaviour offends you. If these attempts to resolve the situation don't work, you can also ask the superior to help you file a formal complaint. The informal procedures are optional. You may also immediately file a formal complaint or, if you feel that would not be productive; you may go directly to the B.C. Human Rights Tribunal.

4. Mediation

Mediation can come before a formal investigation. Mediation is a process by which a neutral third party helps the people involved in the complaint reach a solution that is acceptable to both parties. If you want to work toward a mediated settlement, report the event to the CFO or report through the Company's Whistleblower Hotline as outlined in the Whistleblower Policy whereby there will be an appointed mediator, from within the organization or from outside it, who is acceptable to both parties, is not otherwise involved in the complaint, and who will not be asked to represent the organization at any stage of any proceedings related to the complaint.

However, either party has the right to refuse mediation. You are the only one who can decide if mediation is appropriate for you. Do not agree to it if you feel pressured into it, or feel that you are at a disadvantage or vulnerable because of your age, sex, race, colour, religion, sexual orientation, economic position, level of authority, or for any other reason. If someone suggests mediation but you are uncomfortable with it, you can say so, and it will not be part of the complaint process. If mediation does occur, each person has the right to be accompanied and assisted during the sessions by someone with whom they feel comfortable. All participants in a mediation will be required to sign a document stating that they will keep what happens at the mediation strictly confidential.

5. Formal Complaints

If the informal route for resolving a harassing situation does not succeed or is not appropriate, Goldgroup supports its employees in filing a formal complaint. A formal complaint is started by asking a supervisor, a Vice President, CFO, President/CEO, Chairman or one of the Board of Directors in writing that you want to formally complain about harassment and have your complaint investigated. Or you may file a formal complaint through the Company's Whistleblower Hotline as outlined in the Whistleblower Policy.

All formal complaints will be investigated, either by a specially trained person from within the organization or by a hired consultant. This person will investigate the complaint thoroughly. He or she will interview the complainant, the alleged harasser, and any witnesses. All employees have a responsibility to co-operate in the investigation.

The investigator will need to know:

- Your (the complainant's) name and position;
- The name and position of the alleged harasser
- Details of what happened
- Dates, times and how often these things occurred
- Where they happened, and
- The names of any witnesses
- You will need to be prepared to supply this information

6. *Rights if you are being Harassed*

If you are the complainant, you have the right:

- To file a complaint and have it dealt with promptly, in confidence, and without fear of embarrassment or reprisal, as long as the complaint is made in good faith
- To have a person of your choice accompany you during the process;
- To make sure that no record of the complaint is placed on your personnel file, as long as it was made in good faith;
- To be informed about the progress of your complaint;
- To be informed of the type of corrective measures that will result from the complaint;
- To receive fair treatment.

ii. *If you are accused of Harassment*

1. *Informal Procedures*

If someone complains to you informally about your behaviour, take a good look at it. It may be that without intending to, you have spoken or acted in a way that has offended, humiliated, or degraded another person or group of people. It is your responsibility to change your behaviour if it is harassing or offensive to others. You may also want to consider apologizing.

Keep written notes of any conversation you have where someone suggests you have harassed them or another person. Record the date the conversation happened, how you felt, and what you did, if anything. Also make notes of your view of the alleged harassment, the date it occurred, and who else was present, if there were any witnesses.

If you and the person who is complaining to you are unable to resolve the situation, you can turn to a superior for advice on what to do next.

2. Mediation

If someone has accused you of harassment, and you have not been able to resolve the situation with that person informally, mediation is a possible next step. Mediation may make a formal complaint unnecessary. You can ask for mediation; or you may agree if it is suggested to you. You do not have to agree, however, if you think that you are being pressured into something that does not feel right to you.

If you want to work toward a mediated settlement, the CFO or appointed mediator, from within the organization or from outside it, will be appointed who is acceptable to both parties. If mediation does become part of the informal process, each person has the right to be accompanied and assisted during the sessions by someone of their choosing. All participants in a mediation will be required to sign a document stating that they will keep what happens at the mediation strictly confidential.

3. Formal Complaints

If someone files a formal complaint about your behaviour, you are required to participate in the investigation. You can ask a superior for advice. You will be expected to co-operate and give your perspective on what happened, and if the investigation shows that you did harass another person or group of people, you will be expected to change your behaviour.

Depending on the outcome of the investigation, you will also be subject to disciplinary action (see Section 9).

4. Rights if you are accused of harassment

If you are the individual accused of harassment, you have the right:

- To be informed of the complaint, and have it dealt with promptly and in confidence;
- to be given a written statement of the official allegations, if an official complaint has been filed, and to respond to them;
- to have a person of your choice accompany you during the process;
- to be informed about the progress of the complaint;
- to make sure that no record of the complaint is placed in your personnel file if the complaint is found to be unsubstantiated or not made in good faith;
- to receive fair treatment.

iii. Other Employees

All employees are expected to cooperate in the investigation of complaints and efforts to resolve them. Employees should be mindful of the sensitivities of the parties and should keep any information related to complaint confidential. Release of confidential information may result in disciplinary action.

iv. The investigation and subsequent action

1. Written Report

The investigator will submit a written report to the CFO or file a written report through the Company's Whistleblower Hotline as outlined in the Whistleblower Policy. The investigator will decide whether, on a balance of probabilities, there is enough evidence to conclude that harassment occurred. He or she will also identify all possibilities for resolving the situation; and will recommend one or more courses of action. If harassment has occurred, the CFO will then decide (in consultation with senior management, if necessary) what remedies will be provided to the victim, the disciplinary action to be imposed on the harasser; and whether the people in question can continue in their current work areas.

2. Decision

The CFO or Senior Manager will inform the person who filed the complaint and the harasser of any disciplinary action, remedies, and changes in work within a week after the investigator has handed in the report. Corrective action, remedies, and changes in work will be instituted within one week of the people involved being informed of the decision.

3. Separation of the Complainant and Alleged Harasser

If the complainant and the alleged harasser are in a subordinate/supervisor relationship, the CFO or Senior Manager may decide to assign one or both of them to a different work area during mediation or investigation. Co-workers may also be separated during an investigation, if necessary.

8. REMEDIES FOR THE VICTIM

Goldgroup will make every reasonable effort to remedy the effects of the discrimination. A person who has been harassed may receive one or more of the following remedies, depending on the severity of the harassment and what he or she has lost because of it:

- An oral or written apology from the harasser and Goldgroup
- Lost wages;
- A job or promotion, if one was denied;
- Compensation for any lost benefits, such as sick leave;
- Compensation for hurt feelings if applicable; and/or
- A commitment that he or she will not be transferred, or will have a transfer reversed, unless he or she chooses to move.

No record of the complaint, investigation or decision will go in the employee's personnel file, if the complaint was made in good faith. Any unfavourable work review or comments that were placed in the complainant's personnel file because of the harassment will be removed from the file.

9. CORRECTIVE ACTION FOR HARASSERS

Someone who has harassed another person will be subject disciplined up to and including termination from employment depending on the severity of the harassment and whether the harassment continues after an investigation or warning. Forms of discipline may include:

- A written reprimand;
- A requirement that the harasser apologize to the complainant;
- A suspension, with or without pay;
- A transfer, if it is not reasonable for the people involved to continue working together; or
- Termination without severance

In most cases, the harasser will also be required to attend an anti-harassment training session.

If the investigation does not find evidence to support the complaint, there will be no documentation concerning the complaint placed in the file of the alleged harasser. When the investigation reveals harassment occurred, the incident and the discipline which is imposed on the harasser will be recorded in the harasser's file.

10. UNSUBSTANTIATED COMPLAINTS

If a person, in good faith, files a harassment complaint that is not supported by evidence gathered during an investigation, that complaint will be dismissed, and no record of it will be put in the accused harasser's file. As long as the complaint was made in good faith, there will be no penalty to the person who complained, and no record in her or his file.

11. COMPLAINTS MADE IN BAD FAITH

In the rare event that the complaint was made in bad faith – in other words, the person making it had absolutely no basis and deliberately and maliciously filed the complaint – that person will be disciplined and the record of the incident will be put in her or his file.

Penalties for someone who complains in bad faith will be the same as for a case of harassment (see Corrective action for harassers) and will depend on the seriousness of the situation.

Compensation for the person falsely accused may include steps to restore any lost reputation, and any of the remedies that would be available in a case of harassment (see Remedies for the Victim).

12. CONFIDENTIALITY

Goldgroup will not disclose a complainant's or alleged harasser's name, or any circumstances related to the complaint, to anyone, except as necessary to investigate the complaint or take disciplinary action

related to the complaint, or as required by law. Managers involved in a complaint are reminded to keep all information confidential, except in the above circumstances. Goldgroup will take all reasonable steps to protect confidential information. However, it must be understood that absolute confidentiality cannot be guaranteed.

13. RETALIATION

Retaliation is considered a serious breach of this policy and can lead to discipline up to and including termination from employment. Anyone who retaliates in any way against a person who has complained of harassment, given evidence in a harassment investigation, or been found guilty of harassment, will themselves be considered guilty of harassment and penalized accordingly. The possible penalties are the same as those assessed against harassers.

14. APPEAL

If either the person laying the claim of harassment, or the person accused of harassment feels that the ruling of the investigator, the subsequent acceptance of that ruling or disciplinary action resulting from that ruling are unjustified she or he may request that the Compensation Committee of the Board of Directors undertake a review and determine further action to be taken, if warranted. Such a review will take place within two weeks of the request being received in writing.

15. MONITORING

Goldgroup will monitor this policy and make adjustments where necessary. We will review it after the first year, and annually from then on. If you have any concerns with the policy, please bring them to the attention of the CFO or report through the Company's Whistleblower Hotline as outlined in the Whistleblower Policy. Your comments are always welcome. There is no place for harassment in the workplace that strives for equality and respect for all its members. Goldgroup has committed itself to that goal, and we will do our utmost to achieve it.

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