

## **HEADWATER EXPLORATION INC.**

### **VENDOR CODE OF BUSINESS CONDUCT AND ETHICS**

#### **I. Introduction**

Headwater Exploration Inc. require the highest standards of professional and ethical conduct from our partners, vendors and suppliers. Our reputation for honesty and integrity among our shareholders is key to the success of our business. References in this Vendor Code of Business Conduct and Ethics (“Vendor Code”) to the “Corporation” or to “Headwater” means Headwater Exploration Inc.

We believe that our vendor’s business practices should be compatible with the economic and social priorities of each location in which we operate.

This Vendor Code reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all vendors are expected to comply. You are required to read this Vendor Code carefully and comply with it in all respects.

In addition to following this Vendor Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and spirit of our policies and applicable laws. This Vendor Code sets forth general principles and does not supersede the specific policies and procedures that are covered in the specific policies statements, such as the Disclosure, Confidentiality and Trading Policy, the Environmental Policy, or the Health and Safety Policy.

#### **II. Compliance with Laws, Rules and Regulations**

Compliance with both the letter and spirit of all laws, rules and regulations applicable to a business is critical to its reputation and continued success. All vendors must respect and obey the laws of the cities, provinces and countries in which we operate and avoid even the appearance of impropriety. The Vendor Code encourages vendors to go beyond legal compliance.

#### **III. Compliance with Environmental Laws**

The Corporation is sensitive to the environmental, health and safety consequences of its operations. Accordingly, the Corporation is in strict compliance with all applicable Federal and Provincial environmental laws and regulations. Vendors are expected to comply with all the laws, rules, and regulations of all the jurisdictions in which operations occur. This includes Headwater’s Environmental Policy.

#### **IV. Conflicts of Interest**

A conflict of interest occurs when an individual or vendor’s private interest interferes, or appears to interfere, in any way with the interests of the Corporation. Vendors shall exercise due care and diligence to avoid conflicts or perceived conflicts of interest with those of Headwater. Any instances of perceived or actual conflicts of interest must be reported to the Corporation immediately.

#### **V. Insider Trading**

Insider trading is unethical and illegal. Vendors are strictly prohibited from trading in securities of a company while in possession of material non-public information regarding that company. It is also illegal to "tip" or pass on inside information to any other person who might make an investment decision based on that information or pass the information on further. The Corporation has a Disclosure, Confidentiality and Trading Policy, which sets forth your obligations in respect of trading in the Corporation's securities.

## **VI. Confidentiality**

Vendors must maintain the confidentiality of all confidential information entrusted to them by the Corporation or that otherwise comes into their possession in the course of relationship with Headwater, except when disclosure is authorized or legally mandated. The obligation to preserve confidential information continues even after the vendor ceases doing business with Corporation.

Confidential information includes all non-public information that may be of use to competitors, or harmful to the Corporation or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us.

## **VII. Data Privacy and Information Security**

Vendors are expected to comply with applicable data protection laws, relevant contractual agreements and industry best practices to protect the confidentiality, privacy and security of confidential information. This includes addressing technical and organizational security through the protection of personal information against accidental, unauthorized or unlawful loss, destruction, alteration, disclosure, use and/or access.

## **VIII. Intellectual Property**

Vendors must comply with all the applicable laws governing intellectual property rights, including protection against disclosure, patents, copyrights and trademarks.

## **IX. Illicit Payments or Improper Advantages**

Vendors shall only offer or solicit gifts, gratuities, or entertainment of nominal value that commonly occur during normal business relationships and such offerings shall create no sense of obligation. Vendors shall not offer payments of cash, loans, or any other illicit payments as a means to influence, or appear to influence, a business decision.

## **X. Anti-Corruption**

Vendors must comply with all laws prohibiting any form of corruption, bribery, extortion, money laundering, embezzlement, fraud, misappropriation of property and improper payments to officials.

## **XI. Fair Dealing**

Each vendor should endeavor to deal fairly with the Corporation's customers, suppliers, competitors and employees. No vendor should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

## **XII. Human Rights**

Vendors must comply with all applicable employment and labour laws and regulations. This includes but is not limited to requirements regarding minimum wage, working hours, overtime, days of rest, compensation and freedom of association.

### **XIII. Discrimination and Harassment**

Vendors must not discriminate in employment, hiring, or advancements practices. This includes discrimination based on race, colour, gender, nationality, citizenship, national origin, ethnicity, disability, age, language, religion, sexual orientation, pregnancy, parental status, gender identity or expression, or other protected status.

Vendors must treat all their employees fairly, ethically, respectfully and with dignity. This includes protecting employees from violence and harassment, including sexual, physical and psychological abuse, bullying, intimidation, and victimization in the workplace. Vendors must not exhibit or threaten to exhibit harsh or inhuman treatment, including any sexual harassment, sexual abuse, corporal punishment, abusive disciplinary practices, mental, physical or psychological coercion or verbal abuse of employees.

### **XIV. Child Labour, Human Trafficking and Slavery**

Vendors must employ personnel who meet the applicable minimum legal age requirement to work in the countries or jurisdictions in which they operate.

Vendors must not use child, forced or enslaved labour under any circumstances, whether in the form of compulsory, trafficked, involuntary, slave, modern slavery, mental and/or physical coercion or other forms.

### **XV. Working Conditions and Hours**

Vendors must comply with local laws and regulations related to working conditions.

### **XVI. Compensation, Wages and Benefits**

Vendors are expected to pay workers according to applicable wage laws.

### **XVII. Freedom of Association and Collective Bargaining**

Vendors must respect the right of workers to choose whether to lawfully and peacefully form or join trade unions of their choosing and to bargain collectively.

### **XVIII. Indigenous and Community Rights**

Vendors must respect the rights and land of Indigenous people and local communities. The Corporation believes that vendors should, where applicable, endeavor to build positive relationships and engage respectfully with Indigenous and other communities, promote local employment and develop business opportunities in such communities.

### **XIX. Health and Safety**

Vendors are expected to maintain a safe workplace by following safety and health rules and practices. This includes all municipal, provincial and federal laws and regulations. This includes Headwater's Health and Safety Policy. Vendor employees have the right to refuse and report unsafe or

unhealthy working conditions regardless of role, title or responsibility. Vendors must proactively take action to prevent occupational illnesses and work-related accidents and hazards, including through emergency preparedness and response plans. Vendors should provide a safe and hygienic working environment and should have policies on occupational health and safety.

## **XX. Reporting of any Illegal or Unethical Behaviour**

Headwater expects our vendors to conduct business in a lawful and ethical manner. If a vendor or a vendor's employees witness, discover or become aware of a violation of the Vendor Code they are encouraged to talk to supervisors, managers or other appropriate vendor or Corporation personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or this Vendor Code. Headwater's Whistleblower Policy is an available procedure for confidentially and anonymously submitting notifications or complaints.

The Corporation prohibits retaliatory action against anyone who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

Vendors with whom Headwater does business with are required to review and attest to having read, understood and agree to comply with this Vendor Code. Vendors must be able to demonstrate compliance with the Vendor Code upon the Corporation's request. In the case of a violation or a potential violation of the Vendor Code, Vendors shall work with the Corporation to resolve such violations and take all reasonable measures to meet the requirements set out in the Vendor Code in a diligent manner.

Failure to comply with the letter or the spirit of this Vendor Code may result in disciplinary action up to and including termination of the business relationship, disqualification of being a future vendor with Headwater and/or legal action.

## **XXI. Directors Role in the Code of Business Conduct and Ethics**

To the extent that management is unable to make a determination as to whether a breach of this Vendor Code has taken place, the Board of Directors will review any alleged breach of the Vendor Code to determine if a breach has occurred.

Any waiver of this Vendor Code for executive officers or directors will be made only by the Board of Directors or a committee of the Board of Directors.