

CONA RESOURCES LTD.

INVESTIGATION OF COMPLAINTS POLICY

I. POLICY

It is the policy of Cona Resources Ltd. (“**Cona**”) to observe high ethical standards in all of its activities. In matters of financial integrity (including fraud, misappropriation of assets or other financial misconduct), corporate reporting and disclosure and accounting and auditing and internal accounting and auditing controls, in particular, Cona seeks to ensure that all transactions and corporate assets are properly accounted for and that all audits and investigations are thorough and complete. It is also important to Cona that it maintains the confidence of employees, consultants, shareholders, customers, suppliers, regulators and the public in the quality of its accounting and general standards of business conduct.

The board of directors of Cona (the “**Board**”) is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by Cona regarding accounting, internal accounting controls or auditing matters (for purposes hereof, “**Complaints**”); and
- (b) the confidential, anonymous submission by employees of Cona of concerns regarding questionable accounting or auditing matters (for purposes hereof, “**Accounting Concerns**”).

Furthermore, management and the Board believe that employees and consultants need an anonymous system to report breaches of the Code of Conduct (“**Business Concerns**”). Business Concerns and Accounting Concerns are collectively referred to as “**Concerns**”. The Board shall be responsible for all matters (financial and non-financial) relating hereto.

II. PROCEDURES

Where at all possible, employees, consultants and other persons are encouraged to bring matters forward through normal business channels such as speaking to their supervisor or department head.

In addition to the foregoing, in order to fulfill the foregoing obligations, the Board has adopted the procedures set forth below for the submission by any person (including external stakeholders) of Complaints and for the confidential, anonymous submission by any employee or consultant of Cona of Concerns. The program established to facilitate this reporting system will be known as the Investigation Program.

(a) **Submission of Complaints**

Any person may submit a Complaint and any of Cona’s employees or consultants may confidentially and anonymously submit a Concern by using one of the following methods:

(i) directly to one of the following (each a “**Corporate Representative**”):

(A) President and CEO
Rob Morgan
(403) 930-3003
rob.morgan@conaresources.com
1900, 421 - 7 Avenue SW,
Calgary, Alberta T2P 4K9

OR

(B) Chairman of the Board
Adam Waterous
(403) 930-6051
adam.waterous@waterous.com
Waterous Energy Fund
600, 301 – 8 Avenue SW
Calgary, Alberta T2P 1C5

(ii) by contacting Cona’s Integrity Hotline. The Integrity Hotline is administered by an independent third party provider that specializes in handling confidential complaints.

Telephone: 1 (844) 487-4729
Web Address: <https://www.thetandemteam.com/whistleblower.html>
Company Reference: 1008923 – Cona Resources Ltd.

The independent third party provider allows for the confidential, anonymous communication to the Board or its designates of information related to Cona that may affect the ethics, values or financial affairs of Cona.

The Complaint or Concern should be described in as much detail as possible to permit a thorough analysis, investigation and resolution by Cona.

(b) Confidentiality and Anonymity

While the Investigation Program is one of confidentiality and anonymity, reporting employees and other persons may at their discretion divulge their identity. Any employee, consultant or other person wishing to submit a Complaint or Concern by any of the methods described above on a confidential, anonymous basis need not identify himself or herself, and Cona will not attempt to identify such employee, consultant or other person. If the employee, consultant or other person submitting the Complaint or Concern identifies himself or herself to Cona, Cona will not disclose such employee’s, consultant’s or other person’s identity within Cona or outside Cona without their prior consent, except as necessary to investigate the Complaint or Concern or unless otherwise required by law. Notwithstanding the employee’s, consultant’s or other person’s request to submit the Complaint or Concern confidentially and anonymously, information contained in any Complaint or Concern submitted by the employee, consultant or other person may be summarized, abstracted and aggregated by Cona in

a manner that does not disclose the employee's, consultant's or other person's identity for purposes of analysis, investigation, resolution and reporting.

Cona and its directors, officers and employees will not discharge, demote, suspend, threaten, harass or in any other manner discriminate or retaliate, and it shall be a violation of Cona's Code of Conduct for any person to take any such action, against any employee, consultant or other person who reported, or designate who investigated, a Complaint or Concern submitted in good faith.

If the identity of the reporter or designate becomes known to anyone within Cona, the Board will monitor any disciplinary action taken against any such person. The purpose of this monitoring is to ensure that reporters of valid matters that are made in good faith, and the designates acting in good faith, are protected from retaliation.

(c) **Administration and Oversight**

Subject to the authority of the Chairman of the Board, the Corporate Representative who receives a Complaint or Concern shall be responsible for oversight of the investigation and resolution of such Complaint or Concern and reporting thereon to the Board. The Chairman of the Board may delegate the investigation and resolution of a Complaint or Concern received directly by him to a Corporate Representative or another delegate as appropriate.

The third party provider will promptly forward any matters reported to the Investigation Program to a Corporate Representative.

The Corporate Representative shall notify the Chairman of the Board promptly of any Complaint or Concern received directly by the applicable Corporate Representative.

The Chairman of the Board will promptly notify the full Board if the Chairman believes the Complaint or Concern to be a major issue or that it could lead to public disclosure. The Chairman of the Board, upon consultation with the remaining members of the Board, shall have the authority to determine the manner and timing of, and to oversee, the investigation and resolution of any Complaint or Concern, using such of Cona's resources and external advisors as the Board deems appropriate, or to rely on the applicable Corporate Representative to oversee such investigation and resolution. Cona shall pay the cost of any external advisors retained by the Chairman of the Board pursuant to this Section. If on preliminary investigation the matter is judged to be wholly without substance or merit, or any Complaint or Concern not to have been raised in good faith, the matter may be dismissed.

Proper investigation may require a dialogue with the reporting employee, consultant or other person. To the extent the employee, consultant or other person is willing to do so, a confidential anonymous dialogue between the employee, consultant or other person and the Board or its designate or the applicable Corporate Representative, will be conducted using the resources of the third party provider.

The Board may appoint designates to act partially or wholly on its behalf to handle matters reported under the Investigation Program. Extreme care will be taken to ensure that any designates are in no way directly or indirectly involved in any matters reported.

Designates may include, but are not limited to, external legal counsel, or senior personnel.

At least quarterly, the Chairman of the Board and a Company Representative will receive directly from the third party provider a summary of all relevant activities on all open matters, or matters closed during the quarter. The Corporate Representative shall report to Cona's Board at least quarterly on the status of Complaints and Concerns that have been submitted (or promptly for any major or material Complaints or Concerns).

The third party provider's systems will be used to maintain a comprehensive record of all reported information under the Investigation Program and all actions being taken on each case by the Board or its designates. The Corporate Representative or another delegate shall maintain a file of each Complaint and Concern, which shall include information regarding (a) the initial submission of the Complaint or Concern; (b) reporting of the Complaint or Concern to the Board; (c) investigation of the Complaint or Concern; (d) resolution of the Complaint or Concern; and (e) if applicable, public disclosure of the matter that is the subject of the Complaint or Concern.

The Corporate Representative or another delegate will retain as a part of its records the details of any matters or concerns for a period of at least 7 years.

III. REVIEW

The Board shall review this Policy at least annually and make any necessary or appropriate modifications to them.

Last updated Nov 20, 2018