

I. DISCLOSURE CONTROLS AND PROCEDURES POLICY

A. Introduction

Canadian and United States laws require Galiano to maintain “disclosure controls and procedures” that are designed to ensure that information required to be disclosed by the Company in reports it files or submits to regulatory authorities is recorded, processed, summarized and reported on a timely basis. Disclosure controls and procedures must be designed to ensure that information is accumulated and communicated to the Company’s management to allow timely decisions regarding required disclosure. Disclosure controls and procedures should capture information that is relevant to assessment of developments and risks that pertain to the Company’s business, as well as other Material Information about the Company.

The Company’s Chief Executive Officer and Chief Financial Officer periodically are required to certify that they (1) are responsible for establishing and maintaining disclosure controls and procedures, (2) have designed such controls and procedures to ensure that Material Information is made known to them by others within the Company on a timely basis, and (3) have evaluated the effectiveness of the disclosure controls and procedures and presented the conclusions of that evaluation in certain filings.

Also, legislation in at least one Province (Ontario) requires such procedures and controls be in place in order for management to have a defence against litigation arising out of a misstatement in a public filing or arising out of a failure to promptly make a required disclosure.

B. Application

This Disclosure Controls and Procedures Policy covers the following:

(a) *Periodic Disclosures*

- Annual Information Forms and Annual Reports
- Reports to Shareholders, quarterly and other periodic reports, financial statements and related MD&A reports, and related press releases
- Management Information Circulars
- Registration statements/prospectuses

(b) *Event-Driven Disclosures*

- Anticipated events such as the results from material exploration programs, acquisitions, divestitures, and initiation of legal proceedings by the Company.
- Unanticipated events such as early or unexpected receipt of surprising exploration results, correction of misstatements in previously publicly-filed information, lawsuits against the Company, severe accidents causing harm to personnel or significant loss of property, material regulatory investigations, and discovery of fraud or illegal conduct.

C. Supplement to Internal Controls and Procedures

The Company's other internal controls and procedures are not affected by these disclosure controls and procedures, and they will continue to operate independent of the disclosure controls and procedures set out in this Policy.

D. Statement of Responsibility

Design, maintenance and implementation of this Policy is the responsibility of the Chief Executive Officer and Chief Financial Officer, with the assistance of the other members of the Disclosure Committee (as defined below).

E. Disclosure Committee

The Company has established a Disclosure Committee in order for the Company to carry out its responsibilities under this Policy. The Committee is not a committee of the Board. The Committee shall maintain a record of its work and deliberations.

(a) Members

The Disclosure Committee consists of the Chief Executive Officer, Chief Financial Officer and such other persons as the Chief Executive Officer may designate. When deemed advisable, the Disclosure Committee may designate other senior management, from time to time, to assist it in the carrying out of its duties. A quorum of the Disclosure Committee is the Chief Executive Officer, the Chief Financial Officer and any one member of all members other than the Chief Executive Officer and Chief Financial Officer (if applicable).

(b) Meetings

The Disclosure Committee will meet as required and will meet (or communicate by telephone or electronically) on the request of any member in the event of the occurrence of an event or situation involving or affecting the Company which may warrant public disclosure.

(c) Responsibilities

The primary responsibility of the Disclosure Committee is to cause the Company to fulfil its disclosure obligations on a timely basis. To carry out its functions, the Disclosure Committee will:

- Establish and implement controls and procedures for the timely collection and reporting to the Disclosure Committee of potential material information, and the timely evaluation and dissemination of material information to securities regulators, stock exchanges and shareholders.
- Review, or arrange for the review by an authorized subcommittee, of all documents subject to the Policy.
- Evaluate the design of disclosure controls and procedures, including this Policy, not less frequently than quarterly, and evaluate their effectiveness annually and within 90

days of the end of the year and report on its evaluation of disclosure controls and procedures at least quarterly to the Audit Committee of the Board of Directors.

In fulfilling its oversight responsibilities, the Disclosure Committee will give consideration to the following:

- Involvement of key personnel, as necessary, to ensure adequate collection, evaluation and disclosure of all Material Information;
- Adequacy of resources, including quality of staffing within areas of responsibility for collection, evaluation and disclosure of all Material Information;
- Adequacy of training of personnel involved with collection, evaluation and disclosure of all Material Information; and
- Approval responsibility for each part and the entirety of disclosure documents.

In carrying out its responsibilities, the Disclosure Committee will have full access to all books and records, facilities and personnel of the Company, as well as independent auditors, counsel and other experts.

F. Procedures

The following key disclosure controls and procedures are established to ensure that Material Information is collected, evaluated and disclosed by the Company on a timely basis.

(a) *Standing Disclosure Practice and Procedure*

The Company's Disclosure Policy clarifies the responsibilities of the Disclosure Committee, directors, officers and employees, as well as dealing with:

1. materiality determinations
2. material change reports
3. maintaining confidentiality
4. designated spokespersons
5. news releases
6. conference calls
7. rumors
8. contacts with analysts, investors and the media
9. analyst reports
10. forward-looking information

11. quiet periods
12. Internet chat rooms and bulletin boards
13. the Company's website and social media

If any officer or member of the Disclosure Committee receives a report of non-public, possibly or potentially Material Information and concludes that the Company may have an obligation to promptly disclose that information to securities regulators, stock exchanges, shareholders or the public, that person shall promptly advise the members of the Disclosure Committee, who will consider the significance and need for disclosure of that information and shall take such steps as its members deem appropriate under the circumstances.

(b) Annual Information Form ("AIF")/SEC Annual Report Controls and Procedures

In addition to the Company's normal annual financial reporting process, the Company will follow the following additional procedures in respect of preparation of the AIF/Annual Report to the SEC:

- Prior to commencement of drafting the AIF/Annual Report (40-F), the Disclosure Committee or a subcommittee thereof or others, as designated, will meet or otherwise communicate to determine the content of the document, including any new legal or regulatory requirements.
- The Disclosure Committee or subcommittee or, at the direction of the Disclosure Committee or subcommittee, other selected employees will prepare a summary of principal required disclosure items, assign drafting responsibility for each, assign responsibility for compilation and overall control of the drafting process, establish a schedule for drafting and review, and distribute packages for review. As part of the process, the Disclosure Committee or subcommittee or others will identify those persons within the Company that can be expected to have particular knowledge as to the items covered by the document and ensure that those persons review the appropriate portions of the document.
- The Disclosure Committee, other selected employees, and independent auditors and outside counsel, as appropriate, will review and comment on the first complete draft of the reports. Subsequent drafts of the reports will be circulated by e-mail, facsimile or delivery for review and comment; this process need only be face-to-face upon the request of any member of the Disclosure Committee. Any officers of the Company not on the Disclosure Committee will be provided with copies of drafts, as appropriate.
- The Disclosure Committee, other selected employees, as appropriate, independent auditors, outside counsel, in-house or outside Qualified Persons, if requested by any of the foregoing persons or by these professionals themselves and the Audit Committee will review the near final text of the AIF/Annual Report.
- Before reviewing the final text of the AIF/Annual Report, the Disclosure Committee and other selected employees, as appropriate, will evaluate the disclosure controls and procedures.

(c) *Reports to Shareholders, quarterly and other periodic reports, financial statements and related MD&A reports, and related press releases.*

In addition to the Company's normal financial reporting processes, the Company will follow the following additional procedures in respect of Reports to Shareholders and quarterly and other periodic reports, financial statements and related MD&A reports, and press releases:

- Prior to the commencement of drafting, the Disclosure Committee or a subcommittee thereof or others, as designated, will meet or otherwise communicate to determine the content to be included in the document, including any new legal or regulatory requirements.
- The Disclosure Committee or subcommittee or, at the direction of the Disclosure Committee or subcommittee, other selected employees will prepare a summary of principal required disclosure items, assign drafting responsibility for each, assign responsibility for overall control of the drafting process, establish a schedule for drafting and review, and distribute packages for review. As part of the process, the Disclosure Committee or subcommittee will identify persons within the Company that can be expected to have particular knowledge as to the items covered by the document and ensure that those persons review the appropriate portions of the document.
- The Disclosure Committee, other selected employees, in-house or outside Qualified persons, independent auditors and outside counsel, as appropriate, will review and comment on the document.
- The Disclosure Committee, other selected employees, independent auditors and outside counsel, as appropriate, will resolve all disclosure issues and finalize text.

(d) *Management Information Circular Controls and Procedures*

- Prior to the commencement of drafting, the Disclosure Committee or a subcommittee thereof or others, as designated, will meet or otherwise communicate to determine the matters to be included in the Management Information Circular and additional parties, if any (such as outside compensation consultants), to be involved in the preparation of the Management Information Circular.
- Prior to the substantial completion of drafting, the Disclosure Committee or a subcommittee will enquire of outside counsel to determine any changes required since the prior year in the requirements of the Management Information Circular.
- The Disclosure Committee or subcommittee or, at the direction of the Disclosure Committee or subcommittee, other selected employees will prepare a summary of principal required disclosure items and establish a schedule for drafting and review. As part of the process, the Disclosure Committee or subcommittee will identify those persons within the Company that can be expected to have particular knowledge as to the items covered by the document and ensure that those persons review the appropriate portions of the document.

- The Disclosure Committee or subcommittee or, at the direction of the Disclosure Committee or subcommittee, other selected employees will draft the Management Information Circular and distribute the Management Information Circular to the Disclosure Committee, the Board, outside counsel, in-house and/or outside Qualified Persons, and other additional parties, as appropriate, for review and comment.
- The Disclosure Committee and others, as appropriate, will resolve all disclosure issues and finalize text.

(e) *Registration Statements/Prospectuses*

Registration statements and prospectuses will normally be prepared in the context of agreements and meetings with underwriters and others involved in the process. Although the process will involve drafting and review of information in processes that are similar to those involved in the preparation of an AIF/Annual Report, due to the timing and participation by others in the process, it is not possible to set out in advance the specific steps to be followed.

It shall be the responsibility of the Chief Financial Officer, in conjunction with independent auditors and outside counsel, to implement disclosure and approval procedures comparable to those contained in this policy for other reports, to keep the Disclosure Committee involved and informed, as appropriate, to ensure the accuracy and completeness of such documents, and to keep the Board informed and involved in the process, as appropriate.

(f) *Event-Driven Disclosures*

Event-driven disclosures are those disclosures which are not periodic in nature and will arise from time to time as a consequence of both anticipated and unanticipated events. Examples of anticipated events include the results of permitting processes and material exploration programs, initiation of legal proceedings by or against the Company, significant acquisitions and divestitures, and similar matters all of which are likely to be deemed material information.

To the extent that such events are wholly or partially within the Company's control, disclosure in respect of these events should be planned for by the Disclosure Committee. The Disclosure Committee will be involved in the preparation of event-driven disclosures including press releases, material change reports and amendments to the existing continuous disclosure record in Canada and the United States. The Board will be notified in the event there is need to make any material unanticipated event-driven disclosure.

G. *News Releases*

The Disclosure Committee shall be responsible for supervising preparation, approval and dissemination of news releases. As a part of the process, the Disclosure Committee will identify those persons within the Company that can be expected to have particular knowledge as to the items covered by the document and ensure that those persons review the document.