

## **DISCLOSURE, CONFIDENTIALITY AND INSIDER TRADING POLICY**

### **1. PURPOSE**

The purpose of this disclosure, confidentiality and insider trading policy is to set forth certain policies to ensure that:

- 1.1. The Company complies with its timely disclosure obligations as required under applicable Canadian securities laws, including the *BC Securities Act* (the “**Act**”).
- 1.2. The Company prevents the selective disclosure of material changes (as defined herein) to analysts, institutional investors, market professionals and others.
- 1.3. Documents released by the Company or public oral statements made by a person with actual, implied or apparent authority to speak on behalf of the Company that relates to the business and affairs of the Company do not contain a misrepresentation (as defined herein);
- 1.4. All persons to whom this Policy applies understand their obligations to preserve the confidentiality of Undisclosed Material Information (as defined herein).
- 1.5. All appropriate parties who have Undisclosed Material Information are prohibited from trading in securities of the Company on such Undisclosed Material Information and Tipping (as defined herein) under applicable laws, stock exchange rules and this Policy; and
- 1.6. The Chief Executive Officer and the Chief Financial Officer receive reports prior to such officers executing their certifications related to the Company’s Core Documents (as defined herein) setting out the evaluation, findings and conclusions of Senior Management (as defined herein) regarding the effectiveness of the Company’s disclosure controls and procedures (as defined herein) and Senior Management’s assessment of the quality of the disclosure made in the Core Documents.

### **2. APPLICATION OF THIS POLICY**

This policy applies to the individuals and/or entities as defined in Schedule A.

### **3. DISCLOSURE POLICY**

- 3.1. Senior Management is responsible for the implementation of the Company’s disclosure controls and procedures and all disclosures made by the Company. Senior Management is made up of the Chief Executive Officer, and the Chief Financial Officer and any other position eventually created in the company following the indication of the President and CEO and the Board approval. Senior Management may meet as circumstances necessitate in order to deal with any matter arising from this Policy. The composition of Senior Management may change from time to time and the Company shall advise all persons to whom this Disclosure Policy applies of any such changes. A majority of the members of Senior Management present in person or by conference call at the time a meeting is convened shall constitute a quorum for

all purposes. Senior Management may adopt disclosure controls and procedures in addition to those set out herein. Senior Management may consult with the Company's legal counsel and other appropriate expert advisors as it considers necessary in connection with this Policy.

3.2. Senior Management shall have the responsibility to:

- (a) evaluate the necessity of making public disclosures and the effectiveness of the disclosure controls and procedures;
- (b) review and approve all disclosures and disclosure documents to assess the quality of the disclosures including, but not limited to, whether the disclosures are accurate and complete in all material respects and that disclosure documents are recorded, processed, summarized and reported within specified times periods;
- (c) establish timelines for the preparation of all disclosures and disclosure documents, which timelines shall include critical dates and deadlines during the disclosure process relating to the preparation of drafts, the circulation of drafts to appropriate Company personnel, the Company's independent auditors, and the Audit Committee of the board of directors of the Company (the "Board"), the receipt of comments and the review of the comments by Senior Management. Such timetables should allow for circulation of drafts to the Chief Executive Officer, the Chief Financial Officer, the Audit Committee of the Board and the Board sufficiently in advance of the applicable filing deadline in order to enable such persons to review carefully the filing and discuss any questions and comments related thereto;
- (d) make determinations about whether:
  - (i) a Material Change has occurred;
  - (ii) selective disclosure has been or might be made; or
  - (iii) a misrepresentation has been made;
- (e) in its discretion, conduct interim evaluations of the Company's disclosure controls and procedures in the event of significant changes in securities regulatory requirements, Canadian GAAP, IFRS, legal, or other regulatory policies, or stock exchange requirements, or if it otherwise considers such evaluations appropriate;
- (f) educate the Directors, Officers, Employees and Contractors about the matters contemplated by this Policy;
- (g) annually review, reassess, monitor the adequacy and effectiveness of, and compliance with, this Policy and report to the Audit Committee of the Board on the operation of this Policy, and recommend any necessary changes to this Policy; and
- (h) ensure certifications related to the Company's disclosures are filed with appropriate regulatory authorities.

**4. INDIVIDUALS WHO ARE AUTHORIZED TO SPEAK ON BEHALF OF THE COMPANY**

- 4.1. Unless otherwise authorized by Senior Management, only the members of Senior Management are authorized to make public oral statements, initiate contacts with analysts, the media and investors. However, the individuals ("**Spokespersons**") listed below (but only

these individuals) are authorized to respond to analysts, the media and investors on behalf of the Company and only with respect to the areas noted opposite their respective names. The list may be changed by Senior Management from time to time.

**Spokespersons**

Executive Chairman  
President and Chief Executive Officer

- 4.2. Any person (other than Spokesperson) to whom this Policy applies who is approached by the media, an analyst, investor or any other member of the public to comment on the business and affairs of the Company, must refer all inquiries to the Chief Executive Officer and must immediately notify the Chief Executive Officer that the approach was made.

**5. PROCEDURES REGARDING THE PREPARATION AND RELEASE OF DOCUMENTS**

- 5.1. The procedures in this section apply to all Directors, Officers, Employees and Contractors.
- 5.2. A “**Document**” means any public written communication, including a communication prepared and transmitted in electronic form (hereinafter referred to as a “**Document**”):
- (a) that is required to be filed with the British Columbia Securities Commission (the “BCSC”), any other securities regulatory authority in Canada, on the System for Electronic Document Analysis and Retrieval (“SEDAR”) web site at [www.sedar.com](http://www.sedar.com);
  - (b) that is not required to be filed with the BCSC, or on the SEDAR web site but is so filed;
  - (c) that is filed or required to be filed with a government or an agency of a government under applicable law or with any stock exchange or similar institution under its bylaws, rules or regulations; or
  - (d) the content of which would reasonably be expected to effect the market price or value of the securities of the Company.
- 5.3. A “**misrepresentation**” means an untrue statement of a material fact (as defined herein); or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the circumstances in which it is made.
- 5.4. Prior to the time that any Document is to be released to the public, filed with the BCSC, any other securities regulatory authority in Canada, filed on SEDAR, the following procedures must be observed:
- (a) The Document must be prepared in consultation with, and be reviewed by, appropriate Company personnel, and input from external experts and advisors should be obtained as necessary;
  - (b) The Document must be reviewed and approved by Senior Management and where applicable in the case of material change reports, interim and audited financial

statements and MD&A's reviewed and approved by the Board, Audit or Corporate and Compensation Committee;

- (c) In the event a report, statement or opinion of any expert is included or summarized in a Document, the written consent of the expert to the use of the report, statement or opinion or extract thereof and the specific form of disclosure shall be obtained. In addition, Senior Management must be satisfied that:
  - (i) there are no reasonable grounds to believe that there is a misrepresentation in the part of the Document made on the authority of the expert; and
  - (ii) part of the Document fairly represents the expert report, statement or opinion.

5.5. In the event that a Document contains any Forward-Looking Information (as defined herein) this information must be specifically identified as such and the following additional disclosure shall be provided in written form proximate to each place in the Document where the Forward-Looking Information appears:

- (a) reasonable cautionary language identifying the Forward-Looking Information as such;
- (b) identifying the material factors that could cause actual results to differ materially from expected results from a conclusion, forecast or projection in the Forward-Looking Information; and
- (c) a statement of the material factors or assumptions that were applied in the Forward-Looking Information.

5.6. **“Forward-Looking Information”** means all disclosure regarding possible events, conditions or results (including future-oriented financial information with respect to prospective results of operations, a prospective financial position or prospective changes in financial position that is based on assumptions about future economic conditions and courses of action) that is presented as either a forecast or a projection. An example would be the discussion of trends and prospects for the Company in its MD&A.

## **6. PROCEDURES REGARDING PUBLIC ORAL STATEMENTS**

- 6.1. The procedures in this section apply to all Directors, Officers, Employees, Contractors and Spokespersons and any other person with actual or implied authority to make a public oral statement.
- 6.2. A **“public oral statement”** is any oral statement made in circumstances in which a reasonable person would believe that information contained in the statement will become generally disclosed. Examples include speeches, presentations, news conferences, interviews and discussions with analysts where the Company's business and affairs, prospects or financial condition is discussed.
- 6.3. The following procedures should be observed in respect of any public oral statements made by or on behalf of the Company:
  - (a) Such public oral statements should be made only by the Spokespersons authorized by this Policy to make public oral statements on behalf of the Company;

- (b) Any public oral statement referring to a statement, report or opinion of an expert in whole or in part must have the prior written consent of said expert prior to a Spokesperson making a public oral statement related thereto;
  - (c) The Spokespersons must ensure that any public oral statements on behalf of the Company do not contain a misrepresentation and comply with Section 14 of this Policy (Avoiding Selective Disclosure) and Section 5.6 of this Policy (Forward-Looking Information);
  - (d) When available, a transcript or electronic recording of all speeches, interviews and other public oral statements made by any Spokesperson should be obtained and copies retained by the Company; and
  - (e) The applicable persons described above shall review the transcript and/or electronic recording of each public oral statement made by or on behalf of the Company to ensure that the public oral statement does not contain a misrepresentation. If such public oral statements are found to contain a misrepresentation, the person shall advise Senior Management and the Company shall immediately issue a correcting press release.
- 6.4. Where a public oral statement contains Forward-Looking Information, the Spokesperson must, prior to making such a public oral statement make the following cautionary statement indicating that the public oral statement contains Forward-Looking Information as follows:

“Some of my commentary may contain forward-looking information; therefore, you are cautioned that CB Gold’s actual results could differ materially from my conclusions, forecasts or projections. I refer you to the section entitled “Description of the Business – Risk Factors” in our most recent annual information form available on SEDAR which sets out certain material factors that could cause actual results to differ.”

## **7. DISCLOSURE CONTROLS AND PROCEDURES**

- 7.1. The following disclosure controls and procedures of the Company have been reasonably designed to ensure that information required to be disclosed is recorded, processed, summarized and reported on a timely basis:
- (a) Senior Management shall assign responsibility to the appropriate individuals to draft the required disclosures in the material public disclosures of the Company and shall develop a timeline to ensure the drafting and review is conducted in a timely manner.
  - (b) Senior Management shall review new developments, key risks and business challenges or areas of concern for special attention during the drafting process.
  - (c) Senior Management shall meet as many times as may be necessary to review the draft, consider all comments raised by members of Senior Management and other reviewers. Concerns will be addressed with outside counsel and the independent auditors, as necessary.

## **8. TIMELY DISCLOSURE OF MATERIAL INFORMATION**

- 8.1. **“Material information”** consists of both “material facts” and “material changes”. A **“material fact”** means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of the Company. A **“material change”** means a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company and includes a decision to implement such a change if such a decision is made by the Board or by Senior Management of the Company who believe that confirmation of the decision by the Board is probable. Examples of what constitute a material change are set out in Schedule B.
- 8.2. Upon the occurrence of any change that may constitute a material change in respect of the Company or upon Senior Management, Senior Management, in consultation with such other advisors as it may consider necessary, shall:
- (a) Consider whether the event constitutes a material change;
  - (b) If it does constitute a material change, prepare a press release and a material change report describing the material change as required under applicable laws;
  - (c) Determine whether there is a reasonable basis exists for filing the material change report on a confidential basis. In general, filings will not be made on a confidential basis although, in exceptional circumstances (such as disclosure related to a potential acquisition), confidential disclosure may be appropriate;
  - (d) To the extent practicable, circulate the draft press release and material change report to the members of the Board at the same time as it is being reviewed by Senior Management together, if applicable, with the recommendation that it be filed on a confidential basis;
  - (e) If applicable, following approval by Senior Management, file the material change report on a confidential basis and when the basis for confidentiality ceases to exist, and the event remains material, issue a press release and file a material change report in compliance with applicable securities laws, including the Act. During the period of time while a confidential material change has not been publicly disclosed, the Company shall not release a document or make a public oral statement that, due to the undisclosed material change, contains a misrepresentation.
- 8.3. Press releases disclosing Material Information will be transmitted to the Toronto Stock Exchange (the **“Exchange”**), relevant regulatory bodies and major news wire services that disseminate financial news to the financial press. Press releases must be pre-cleared by the TSX-V if issued during trading hours or one hour after trading hours.

## **9. INTERNET CHAT ROOMS AND BULLETIN BOARDS**

- 9.1. Directors, Officers, Employees and Contractors must not discuss or post any information relating to the Company or any of its subsidiaries or trading in securities of the Company in Internet chat rooms, newsgroups or bulletin boards.

## **10. RUMOURS**

The Company shall not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. Spokespersons will respond consistently to those rumours, saying “It is our policy not to comment on market rumours or speculation.” If the Exchange or a securities regulatory authority requests that the Company make a statement in response to a market rumour, Senior Management will consider the matter and make a recommendation to the Chief Executive Officer as to the nature and context of any response.

## **11. WEBSITE**

- 11.1. The Senior Management of the Company is responsible for creating and maintaining the Company’s website. The Company’s website must be maintained in accordance with the following:

- (a) the following information must be included on the website:
  - (i) all Material Information that has previously been Generally Disclosed, including, without limitation, all documents filed on SEDAR or a link to those documents on SEDAR;
  - (ii) all non-Material Information that is given to analysts, institutional investors and other market professionals (such as fact sheets, fact books, slides of investor presentations, materials distributed at analyst and industry conferences);
  - (iii) web replays of shareholder meetings or analysts’ conferences; and
  - (iv) all press releases or a link to those press releases;
- (b) the website must contain an e-mail link to an investor relations contact for the Company to facilitate communication with investors;
- (c) the website must include a notice that advises the reader that the information was accurate at the time of posting, but may be superseded by subsequent disclosures;
- (d) inaccurate information must be promptly removed from the website and a correction must be posted;
- (e) information contained on the website must be removed or updated when it is no longer current;
- (f) a list of all analysts known to follow the Company may be posted on the investor relations page, but analysts’ reports must not be posted on the Company’s website or linked to the Company’s website;
- (g) all links from the Company’s website must be approved by the Company’s Chief Financial Officer and Chief Executive Officer and all links must include a notice that advises the reader that he or she is leaving the Company’s website and that the Company is not responsible for the contents of the other site; and
- (h) no links will be created from the Company’s website to chat rooms, newsgroups or bulletin boards.



- 11.2. All information on the Company's website will be retained for a period of six years from the date of issue.
- 11.3. If the Company is considering a distribution of its securities, the content of the website must be reviewed with the Company's corporate counsel before and during the offering to ensure compliance with applicable securities laws.

## **12. CONFIDENTIALITY OF UNDISCLOSED MATERIAL INFORMATION**

- 12.1. **"Undisclosed Material Information"** of the Company is Material Information about the Company that has not been **"Generally Disclosed"**, that is, disseminated to the public by way of a press release together with the passage of a reasonable amount of time (24 hours, unless otherwise advised that the period is longer or shorter, depending on the circumstances) for the public to analyze the information.
- 12.2. Any person to whom this Policy applies and who has knowledge of Undisclosed Material Information must treat the Material Information as confidential until the Material Information has been Generally Disclosed.
- 12.3. Undisclosed Material Information shall not be disclosed to anyone except in the necessary course of business. If Undisclosed Material Information has been disclosed in the necessary course of business, anyone so informed must clearly understand that it is to be kept confidential, and, in appropriate circumstances, execute a confidentiality agreement. Schedule "C" attached hereto lists circumstances where securities regulators believe disclosure may be in the necessary course of business. When in doubt, all persons to whom this Policy, applies must consult with the Chief Executive Officer to determine whether disclosure in a particular circumstance is in the necessary course of business. For greater certainty, disclosure to analysts, institutional investors, other market professionals and members of the press and other media will not be considered to be in the necessary course of business. **"Tipping"**, which refers to the disclosure of Undisclosed Material Information to third parties outside the necessary course of business, is prohibited.
- 12.4. In order to prevent the misuse of inadvertent disclosure of Undisclosed Material Information, the procedures set forth below should be observed at all times:
  - (a) Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the necessary course of business and code names should be used if necessary;
  - (b) Confidential matters should not be discussed in places where the discussion may be overheard;
  - (c) Transmission of documents containing Undisclosed Material Information by electronic means will be made only where it is reasonable to believe that the transmission can be made and received under secure conditions; and
  - (d) Unnecessary copying of documents containing Undisclosed Material Information must be avoided and extra copies of documents must be promptly removed from meeting rooms and work areas at the conclusion of the meeting and must be destroyed if no longer required.



### 13. **QUIET PERIOD**

- 13.1. Each period (1) beginning on the first day following the end of each fiscal quarter and each fiscal year, and (2) ending when the earnings for that quarter or year have been Generally Disclosed by way of a press release, will be a “**Quiet Period**”. During a Quiet Period, Spokespersons must not provide any Forward-Looking Information relating to the business and affairs of the Company or any of its subsidiaries, including information relating to expected revenues, net income or profit, earnings per share, expenditure levels, and other information commonly referred to as earnings guidance (“**Earnings Guidance**”) or comments with respect to the financial results for the current fiscal quarter or current fiscal year. Notwithstanding these restrictions, the Company may Generally Disclose Forward-Looking Information during the Quiet Period when the Forward-Looking Information constitutes Undisclosed Material Information. During a Quiet Period, Spokespersons may respond to unsolicited inquiries about information either that is not Material Information or that has been Generally Disclosed.

### 14. **AVOIDING SELECTIVE DISCLOSURE**

- 14.1. When participating in shareholder meetings, news conferences, analysts’ conferences and private meetings with analysts or institutional investors, Spokespersons must only disclose information that either (1) is not Material Information or (2) is Material Information but has previously been Generally Disclosed. For greater certainty, acceptable topics of discussion include the Company’s business prospects (subject to the provisions of this Policy), the business environment, management’s philosophy and long-term strategy. Any selective disclosure of Undisclosed Material Information, including Earnings Guidance, is not permitted.
- 14.2. To protect against selective disclosure, the procedures outlined in Section 6 (Procedures Regarding Public Oral Statements) should be followed.
- 14.3. If Material Information that has not been Generally Disclosed is inadvertently disclosed, the Company shall contact the parties to whom the Material Information was disclosed and inform them: (a) that the information is Undisclosed Material Information, and (b) of their legal obligations with respect to the Material Information.

### 15. **ANALYST REPORTS**

- 15.1. When reviewing analysts’ reports, comments of Directors, Officers, Employees and Contractors must be limited to identifying factual information that has been Generally Disclosed that may affect an analyst’s model and pointing out inaccuracies or omissions with respect to factual information that has been Generally Disclosed. Any comments must contain a disclaimer that the report was reviewed for factual accuracy only. No comfort or guidance shall be expressed on the analysts’ earnings models or earnings estimates and no attempt shall be made to influence an analyst’s opinion or conclusion.
- 15.2. Analysts’ reports shall not be posted on or linked from the Company’s website.
- 15.3. The Company may from time to time give Earnings Guidance or any other Forward-Looking Information through voluntary disclosure by way of a press release, provided that the cautionary language described in Section 5.6 accompanies the information.

## **16. TRADING OF SECURITIES OF THE COMPANY**

- 16.1. No Person in a Special Relationship with the Company shall purchase or sell or otherwise monetize securities of the Company while in possession of Undisclosed Material Information.
- 16.2. Directors, Officers and those Employees and Contractors who participate in the preparation of the Company's financial statements or who are privy to material financial information relating to the Company are prohibited from purchasing or selling securities of the Company during the period of time beginning on: the first day on which the Exchange is open for trading (a "**Trading Day**") following the end of a fiscal quarter, or fiscal year end, until the first Trading Day after the financial results for a fiscal quarter or fiscal year end have been disclosed by way of press release (the "**Executive Blackout**").
- 16.3. All Employees and Contractors who are not subject to the Executive Blackout are prohibited from purchasing or selling securities of the Company for the period of time beginning on the tenth Trading Day prior to the disclosure of financial results for a fiscal quarter or fiscal year by way of press release until the first Trading Day following such press release (the "**General Blackout**").
- 16.4. All Directors, Officers, Employees and Contractors who are so advised by Senior Management, shall be prohibited from purchasing or selling securities of the Company during any other period designated by Senior Management (the "**Specific Blackout**").
- 16.5. Notwithstanding Sections 16.3 and 16.4, a Director, Officer, Employee and Contractor may purchase or sell securities during any blackout period (an Executive Blackout, a General Blackout, or Specific Blackout as may be applicable) with the prior written consent of the Chief Executive Officer or Chief Financial Officer. The Chief Executive Officer or Chief Financial Officer will grant permission to purchase or sell during a blackout period whenever the Chief Executive Officer and Chief Financial Officer determine that the trading is not arising from the possession of Undisclosed Material Information.
- 16.6. The trading prohibitions in Sections 16.1, 16.2, 16.3 and 16.4 do not apply to the acquisition of securities through the exercise of share options or restricted share units but do apply to the sale of the securities acquired through the exercise of share options or restricted share units.

## **17. INSIDER REPORTS**

- 17.1. An insider (as defined in the Act) of the Company (an "**Insider**") is required to file an initial insider report within ten (10) days of becoming an Insider and subsequent insider reports within ten (10) days following any trade of securities of the Company. If an Insider does not own or have control over or direction over securities of the Company, or if ownership or direction or control over securities of the Company remains unchanged from the last report filed, a report is not required.
- 17.2. If an Insider has made a trade and requires assistance with the filing of an insider report, such Insider should contact the Chief Financial Officer or the Corporate Lawyer or a

Lawyer indicated by the Chief Financial Officer, who will arrange for assistance with the preparation and filing of an insider report.

**18. COMMITMENT**

- 18.1. To demonstrate our determination and commitment to the purposes of this Policy, the Company asks each Employee and individuals as described in Schedule A to review this Policy periodically throughout the year. Take the opportunity to discuss with management any circumstances that may have arisen that could be a breach of this Policy.
- 18.2. The following individuals are required to acknowledge they have read this Policy annually: Directors, Officers, the Director or Manager of Investor Relations, the Controller and any Vice Presidents of the Company. Employees are required to sign the Policy when they are engaged or when the Policy is significantly revised.

## Schedule “A”

### Individuals and Entities to Whom This Policy Applies

“**Contractors**” means independent contractors (who are engaged in an employee-like capacity) of the Company or any of its subsidiaries;

“**Directors**” mean directors of the Company;

“**Employees**” mean full-time, part-time, contract or secondment employees of the Company or any of its subsidiaries;

“**Insiders**” means:

- (1) Directors or Senior Officers of the Company;
- (2) persons who beneficially own, directly or indirectly, more than 10% of the voting securities of the Company or who exercise control or direction over more than 10% of the votes attached to the voting securities of the Company (“**10% Shareholders**”);
- (3) directors or Senior Officers of a subsidiary of the Company; or
- (4) directors or Senior Officers of 10% Shareholders;

“**Officers**” mean officers of the Company or any of its subsidiaries;

“**Persons in a Special Relationship with the Company**” means:

- (1) Directors, Officers, Employees and Contractors;
- (2) 10% Shareholders;
- (3) directors, officers, employees and contractors of 10% Shareholders;
- (4) members of an operating or advisory committee of the Company or any of its subsidiaries;
- (5) directors, officers, partners and employees of a company that is engaging in any business or professional activity with the Company or any of its subsidiaries and who routinely comes into contact with Material Information;
- (6) persons or companies that learned of Material Information with respect to the Company from a person or company described in (1) through (5) of this definition and knew or ought reasonably to have known that the other person or company was in such a special relationship; and
- (7) spouses, live-in partners or relatives of any of the individuals referred to in (1) through (6) who reside in the same household as that individual; and

“**Senior Officers**” means:

- (1) the chair or a vice-chair of the Board or any of its subsidiaries, the President, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, an Executive Vice-President, a Vice-President, the Corporate Secretary, the Assistant Corporate Secretary, the Controller, the Treasurer or the General Manager of the Company or any of its subsidiaries or any of their operating divisions; or
- (2) any other individual who performs functions for the Company or any of its subsidiaries similar to those normally performed by an individual occupying any of the offices listed in (1) above.

A company is considered to be a “**Subsidiary**” of another company if it is controlled by (1) that other company, (2) that other and one or more companies, each of which is controlled by that other, or (3) two or more companies, each of which is controlled by that other; or it is a subsidiary of a company that is that other’s subsidiary. In general, a company will control another company when the first company owns more than 50% of the outstanding voting securities of that other company.

## **Schedule “B”**

### **Examples of Information That May Be Material** (Based on National Policy 51-201)

#### **Changes in corporate structure**

- changes in share ownership that may affect control of the company
- changes in corporate structure such as reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

#### **Changes in capital structure**

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company’s dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to the rights of security holders

#### **Changes in financial results**

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any period
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company’s assets
- any material change in the company’s accounting policies

#### **Changes in business and operations**

- any development that affects the company’s resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the Board or executive management, including the departure of the company’s Chairman, CEO, CFO (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company’s securities or their movement from one quotation system or exchange to another

#### **Acquisitions and dispositions**

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

#### **Changes in credit arrangements**

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company’s assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

### **Schedule “C”**

#### **Examples of Disclosures That May Be Necessary in the Course Of Business** (Reproduced from National Policy 51-201)

**(1) Disclosure to:**

- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts
- employees, officers and directors
- lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Company
- parties to negotiations
- labour unions and industry associations
- government agencies and non-governmental regulators
- credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency’s ratings generally are or will be publicly available)

**(2) Disclosures in connection with a private placement**

**(3) Communications with controlling shareholders, in certain circumstances**

### RECEIPT AND ACKNOWLEDGEMENT

I, \_\_\_\_\_ (*print name*), hereby acknowledge that I have received and read a copy of the “Disclosure, Confidentiality and Insider Trading Policy” and agree to comply with its terms.

I understand that violation of insider trading or tipping laws or regulations may subject me to severe civil and/or criminal penalties, and that violation of the terms of the above-noted policy may subject me to discipline by the Company up to and including termination.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Return this acknowledgement page by email to [srubin@westernar.com](mailto:srubin@westernar.com)