



**COPPERNICO METALS INC  
(Formerly Sombrero Resources Inc.)**

**DISCLOSURE POLICY**

(effective January 7, 2021)  
(as updated December 16, 2021 to reflect name change)

**I. PURPOSE OF THIS POLICY**

1. The purpose of this Disclosure Policy (the “**Policy**”) of Coppernico Metals Inc. (“the Company”) is to set forth certain policies to ensure that:

- (a) the Company complies with its timely disclosure obligations as required under applicable Canadian securities laws, including the *Securities Act* (British Columbia) (the “**Securities Act**”);
- (b) the Company takes a consistent approach with respect to its disclosure practices;
- (c) the Company prevents the selective disclosure of Material Changes (as defined herein) to analysts, institutional investors, market professionals and others;
- (d) 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);
- (e) all persons to whom this Policy applies understand their obligations to preserve the confidentiality of Undisclosed Material Information (as defined herein); and
- (f) 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 the Board of Directors (“the Board”) regarding the effectiveness of the Company’s disclosure controls and procedures (as defined herein) and the Board of Directors’ assessment of the quality of the disclosure made in the Core Documents.

**II. APPLICATION AND ADMINISTRATION OF THIS POLICY**

1. This Policy will be administered and implemented by the Company’s Disclosure Committee, which consists of the CEO, the CFO, the Chief Geologist and the Manager, Investor Relations (the “**Disclosure Committee**”). This Policy shall be reviewed periodically by the Disclosure Committee and the Nomination and Governance Committee and any amendments to this Disclosure Policy shall be subject to the approval of the Board.

2. The main groups of persons to whom this Policy apply are set forth in Schedule “A” attached hereto. Each section of the Policy that imposes restrictions and obligations will describe which groups of persons are subject to that section. References in this Policy to “any person to whom this Policy applies” or similar references are intended to include persons in all of the groups set forth in Schedule “A”.

### III. AUTHORIZED SPOKESPERSONS

1. Unless otherwise authorized by the Disclosure Committee or the Board, only the Chair of the Board, Chief Executive Officer, Chief Financial Officer and the Manager Investor Relations 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 the Board from time to time.

<u>Spokesperson</u>	<u>Area</u>
Board Chair	All Areas
Chief Executive Officer	All Areas
Chief Financial Officer	Financial
Chief Geologist	Technical
Manager Investor Relations	All areas

2. Any person (other than Spokespersons) 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. For certainty, any persons (other than Spokespersons) are not authorized Spokespersons and are not authorized to make public comment on the business and/or affairs of the Company unless the circumstances warrant and advance approval is received from a Spokesperson.

### IV. PREPARATION AND RELEASE OF DOCUMENTS

1. The procedures in this section apply to all Directors, Officers, Employees and Contractors.

2. A “**Document**” means any public written communication, including a communication prepared and transmitted in electronic form:

(a) that is required to be filed with the British Columbia Securities Commission (the “**BCSC**”) or any other securities regulatory authority in Canada, either on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) website at [www.sedar.com](http://www.sedar.com) or otherwise;

(b) that is required to be filed with the United States Securities and Exchange Commission (the “**SEC**”) or any other securities regulatory authority in the United States, either on the Electronic Data Gathering, Analysis and Retrieval (“**EDGAR**”) established by the SEC at [www.edgar.com](http://www.edgar.com) or otherwise;

- (c) that is not required to be filed with the BCSC or any other securities regulatory authority in Canada, or on the SEDAR website, the SEC or any other securities regulatory authority in the United States, or on EDGAR, but is so filed;
- (d) 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; and
- (e) the content of which would reasonably be expected to affect the market price or value of the securities of the Company.

3. A “**misrepresentation**” has the meaning given under applicable Canadian or United States securities laws.

4. The Securities Act distinguishes between “core documents” and “non-core documents”. For the purpose of this Policy, the following documents are “**Core Documents**”:

- (a) prospectuses;
- (b) take-over bid circulars;
- (c) issuer bid circulars;
- (d) directors’ circulars;
- (e) a notice of change or variation in respect of a take-over bid circular, issuer bid circular or directors circular;
- (f) rights offering circulars;
- (g) management’s discussion and analysis (“**MD&A**”);
- (h) annual information forms;
- (i) information circulars, including annual general and special meetings;
- (j) annual financial statements;
- (k) interim financial statements; and
- (l) Material Change reports.

5. 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, or filed on SEDAR, or filed with the SEC, any other securities regulatory authority in the United States, or filed on EDGAR, the following procedures must be observed:

- (a) the Document must be prepared in consultation with, and be reviewed by, personnel in all applicable internal departments of the Company, and input from external experts and advisors should be obtained as necessary;

(b) any Core Document, other than a Material Change report, must be reviewed and approved by the Board;

(c) any news release which contains Undisclosed Material Information or any Material Change report must be reviewed and approved by the Chief Executive Officer, the Chief Financial Officer and at least one other member of the Disclosure Committee;

(d) any news release which does not contain Undisclosed Material Information must be reviewed and approved by the Chief Executive Officer or the Chief Financial Officer and at least one other member of the Disclosure Committee;

(e) 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, the Disclosure Committee 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.

(f) Core Documents, other than Material Change reports, must be provided to the Directors sufficiently in advance of the time they are to be filed or released to allow the Directors to review and comment on such documents. It is recognized that the requirement to make prompt disclosure of Material Changes by way of news releases may make it difficult to have certain news releases and Material Change reports reviewed by the Directors; and

(g) in the case of interim financial statements, annual financial statements and interim and annual MD&A, such documents, including any press releases relating to such documents and any earnings guidance issued by the Company, must be reviewed and approved by the Audit Committee in accordance with the Audit Committee Charter following approval of the Board and prior to submission to the Board as a whole.

6. 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.

7. **“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, or otherwise identified as Forward-Looking Information by the Disclosure Committee. An example would be the discussion of trends and prospects for the Company in its MD&A.

## V. PUBLIC ORAL STATEMENTS

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.

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, in group and individual meetings and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, brokers, investment advisers and investment managers), or with employees, stakeholders, interviews with the media as well as speeches, industry conferences, news conferences and conference calls and dealings with the public generally. Examples include speeches, presentations, news conferences, interviews and discussions with analysts where the Company’s business and affairs, prospects or financial condition is discussed. 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 0 of this Policy (Avoiding Selective Disclosure) and Section 0 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 shall be made and furnished to the Chief Financial Officer and Chief Executive Officer immediately following the making of such public oral statement; 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 the Board of Directors and the Company shall immediately issue a correcting news release.

3. 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;

*“Some of my commentary may contain forward-looking information, therefore, you are cautioned that the Company’s actual results could differ materially from my conclusions, forecasts or projections. I refer you to the section entitled “Risk Factors” in our most recent Annual Information Form, annual filings and/or MD&A available on SEDAR or EDGAR which sets out certain Material Factors that could cause actual results to differ.”*

## VI. DISCLOSURE CONTROLS AND PROCEDURES

1. The Disclosure Committee have designed the Company's Disclosure Controls and Procedures Policy which will be implemented and monitored by the Disclosure Committee, and amended, as necessary, by the Board upon the recommendation of the Disclosure Committee. In accordance with the Disclosure Controls and Procedures Policy:

- (a) The Disclosure Committee 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) The Disclosure Committee shall review new developments, key risks and business challenges or areas of concern for special attention during the drafting process.
- (c) All personnel who are requested to have direct input into the preparation of Core Documents will be provided with instructions and such other additional information as they may require to ensure that they are familiar with the Company's obligations, the importance of compliant and accurate disclosure and the reliance which is being placed upon them.
- (d) The Disclosure Committee shall meet as many times as may be necessary to review the draft, consider all comments raised by members of the Disclosure Committee or Board and other reviewers. Concerns will be addressed with outside counsel and the independent auditors, as necessary.
- (e) Where it considers it necessary or advisable, the Disclosure Committee will have portions of Core Documents reviewed by another knowledgeable person. Financial information in the Core Documents shall undergo a second internal review by the auditors where appropriate (e.g., financial statements, MD&A, annual information forms and business acquisition reports).
- (f) To serve as an additional record of the procedures employed, and to emphasize the importance of accurate and reliable information in the Company's material public disclosures, the Disclosure Committee shall ask the appropriate persons to provide his or her confirmation that all Material Information has been brought forward to the Disclosure Committee. Each will be asked to provide their written and signed certification in a form to be approved by the Disclosure Committee.
- (g) Operations personnel will be required to provide their confirmation, as appropriate, that all Material Information has been communicated to the responsible executive officers.
- (h) Once the Disclosure Committee has agreed upon a final draft, the Disclosure Committee shall report to the Chief Executive Officer and the Chief Financial Officer:
  - (i) that it has followed the disclosure controls and procedures;
  - (ii) the Disclosure Committee's findings and conclusions regarding the effectiveness of the Company's disclosure controls and procedures; and
  - (iii) the Disclosure Committee's assessment of the quality of the disclosures made in the Company's Core Documents, and the Disclosure Committee shall meet with the Chief Executive Officer and/or the Chief Financial Officer to discuss any questions, which either

may have, and to report in person, upon the request of the Chief Executive Officer and/or the Chief Financial Officer.

- (i) If for any reason the Disclosure Committee cannot agree upon its report, it shall meet with the Chief Executive Officer and the Chief Financial Officer to discuss its procedures and the issues which remain outstanding.

## VII. TIMELY DISCLOSURE OF MATERIAL INFORMATION

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.

2. Any person to whom this Policy applies who becomes aware of information that has the possibility of being Material Information must immediately disclose that information to the Chief Executive Officer or the Chief Financial Officer and the Chief Executive Officer or Chief Financial Officer shall advise the Disclosure Committee, who in turn shall inform the Board of Directors if the circumstances warrant. Schedule “B” attached hereto lists examples of Material Information. Either positive or negative information may be material and unfavourable Material Information must be disclosed as promptly and completely as favourable Material Information. The Disclosure Committee shall endeavour to ensure that the Company’s approach to materiality is consistent.

3. Upon the occurrence of any change that may constitute a Material Change in respect of the Company, the Disclosure Committee, 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, instruct management to prepare a news release and a Material Change report describing the Material Change as required under applicable laws (including with the applicable time periods required under applicable securities law);
- (c) determine whether 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 news release and Material Change report to the members of the Board and senior management together, if applicable, with the recommendation that it be filed on a confidential basis;
- (e) if applicable, following approval by the Board of Directors, 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 news release and file a Material Change report in compliance with applicable securities laws, including the Securities 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; and

(f) pending the public release of the Material Information, ensure that persons who have knowledge of the Material Information are aware that it has not been generally disclosed and remains confidential and that such persons are subject to the requirements of applicable securities laws relating to such persons trading securities with knowledge of a Material Fact or Material Change in respect of the Company that has not been generally disclosed and such persons are prohibited from informing another person or company of such a Material Fact or Material Change until the Material Information is publicly disclosed or is no longer material.

4. News releases disclosing Material Information will be transmitted to stock exchanges upon which Company securities are listed, relevant regulatory bodies and major news wire services that disseminate financial news to the financial press. News releases must be pre-cleared by the relevant stock exchange if issued during trading hours or one hour after trading hours. News releases shall be transmitted on SEDAR and EDGAR as well as business wires, national financial media and local media in areas where the Company has its headquarters and operations, all as considered appropriate from time to time by the Disclosure Committee or the Board of Directors. Such news releases shall also be posted on the Company's website as soon as practical after release over the news wire.

5. News releases disclosing Material Information shall contain sufficient detail to enable the media and investors to understand the substance and importance of such information while avoiding exaggerated reports or promotional commentary.

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

1. After release through the newswire service, news releases are posted to the Investor Relations section of the Company's website. Posting on the website alone does not satisfy the requirement of broad dissemination of material, non-public information. The Disclosure Committee, the Chief Executive Officer and/or the Chief Financial Officer are to ensure such release is widely disseminated on SEDAR, EDGAR and any other applicable disclosure service, as required.

2. In order to ensure that no material undisclosed information or confidential information of the Company is inadvertently disclosed, directors, officers and employees are strictly prohibited from participating in internet chat rooms, social media, electronic newsgroups, blogs or bulletin board discussions on matters pertaining to the Company's activities or its securities without the approval of the Disclosure Committee.

#### **IX. ACCIDENTAL DISCLOSURE**

1. If any person to whom this Policy applies inadvertently discloses material confidential information to an outside party and is concerned that such disclosure may not have been in accordance with this policy, such person must promptly notify a member of the Disclosure Committee. If the Disclosure Committee concurs, they will immediately notify the Board of Directors and the Company will disclose that information as soon as practicably possible broadly via news release. The Company shall assess whether a trading halt of the Company's common shares on any stock exchange(s) on which securities of the Company are listed should be requested until proper disclosure has been made.

#### **X. RUMOURS**

1. 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." Provided however, if a rumour is correct in whole or part, immediate disclosure of the relevant Material Information must be made by the Company



and a trading halt will be instituted pending release and dissemination of the information. Also, if the Toronto Stock Exchange, NYSE American, any other securities exchange on which the Company's securities are listed, or a securities regulatory authority requests that the Company make a statement in response to a market rumour, the Disclosure Committee will consider the matter and make a recommendation to the Chief Executive Officer as to the nature and context of any response.

## XI. ONLINE COMMUNICATIONS AND SOCIAL MEDIA

1. The Company recognizes that websites and other channels available on the Internet, including social media (such as Facebook, LinkedIn and Twitter) are communication tools available to companies and their directors, officers and employees for disclosure and communication purposes and that many of the Company's directors, officers and employees use online communication for both professional and personal purposes. Online communications are an extension of the Company's formal corporate disclosure record, and as such, the securities laws and stock exchange rules applying to disclosure of information apply equally to information posted on the Company's website and distributed by other electronic means, including through social media. As a result, care must be taken that any disclosure with regard to the Company through the Company's website or social media accounts, or by our directors, officers and employees through their personal social media accounts, complies with this Policy and all applicable securities laws and stock exchange rules.

2. The Company may from time to time disclose Material Information through social media, provided that, in each case, such disclosure shall be generally disclosed specifically preceded by a news release disclosing that information, disseminated broadly and on SEDAR and EDGAR, such dissemination to include the filing of a Material Change report, if and as required by applicable securities laws. The Company will alert the market of any social media that we intend to adopt from time to time for disclosure purposes and advise the market and investors to follow us through those social media networks.

3. Any person to whom this Policy applies must not disclose any Material Information with respect to the Company through personal social media accounts. The Company's directors, officers and employees may only disclose non-Material Information through personal social media accounts with express permission from the Chief Executive Officer, the Chief Financial Officer or a member of the Disclosure Committee. Such disclosure must also be compliant with all aspects of the Company's employee media policy. All Social Media must be specifically authorized by the Chief Executive Officer, the Chief Financial Officer or a member of the Disclosure Committee. For the purposes of this Policy, "**social media**" (and its applications) consist of Web-based tools used to generate, publish and discuss user-generated content and to connect with other users. Current social media tools consist of social networks (such as Facebook, MySpace and LinkedIn), online communities (such as Twitter and Reddit), blogs, forums, wikis, virtual worlds and content hosting sites and other platforms (such as YouTube, Instagram, Snapchat and TikTok). Notwithstanding the foregoing, social media is an emerging technology that changes frequently and as such, all present and future forms of collaborative, online communications are within the scope of the Policy.

## XII. WEBSITES

1. The **Manager Investors Relations** of the Company, with oversight by the Chief Executive Officer or the Chief Financial Officer, 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 (as defined herein), including, without limitation, all documents filed on SEDAR or EDGAR or a link to those documents on SEDAR or EDGAR;
  - (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 news releases or a link to those news releases;
- (b) the following information must not be included on the website;
- (i) financial analyst reports;
  - (ii) investor relations information, that is authorized by a third party, unless the information was prepared on behalf of the Company, or is general in nature and not specific to the Company; and
  - (iii) media articles about the Company's business.
- (c) the website must contain an e-mail link to an investor relations contact for the Company to facilitate communication with investors;
- (d) a cautionary statement that advises the reader that the website may include forward-looking-information and that information posted was accurate at the time of posting but may be superseded by subsequent disclosures;
- (e) 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;
- (f) inaccurate information must be promptly removed from the website and a correction must be posted;
- (g) information contained on the website must be removed or updated when it is no longer current;
- (h) a list of all financial analysts known to follow the Company may be posted on the Investor Relations page, but as contemplated in section 0 above, financial analysts' reports must not be posted on the Company's website or linked to the Company's website;
- (i) a list of all social media accounts and Internet addresses maintained by the Company;
- (j) all links from the Company's website must be approved by the Chief Executive Officer or the Chair of the Board 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
- (k) while no links will be created from the Company's website to chat rooms, newsgroups or bulletin boards, pre-approved and publicly disclosed information posted on external websites may

be referenced on the Company's website with authorization by the Chief Executive Officer or the Chair of the Board.

2. All information on the Company's website will be retained for a period of six years from the date of issue.

3. If the Company is considering a distribution of its securities, the content of the website must be reviewed with the Company's corporate legal counsel before and during the offering to ensure compliance with applicable securities laws.

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

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 news release together with the passage of a reasonable amount of time (two days, unless otherwise advised that the period is longer or shorter, depending on the circumstances) for the public to analyze the information.

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.

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 Disclosure Committee and/or the Chief Financial 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.

4. In order to prevent the misuse of inadvertent disclosure of Undisclosed Material Information, all persons to whom this Policy applies shall observe the procedures set forth below should 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, such as elevators, hallways, restaurants, airplanes, public places and transit, taxis, and including over telephone or other wireless communication devices;

(c) Documents and files containing confidential information should not be read or displayed in public places, including on smart phones, laptops, tablets, and other portable electronic devices;

(d) 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;

- (e) Care must be taken while printing confidential information on shared office printers and or disposal of such print copy. It is recommended to print on an individual's printer;
- (f) 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;
- (g) Access to Undisclosed Material Information and confidential electronic data should be restricted through the use of passwords; and
- (h) Visitors should be accompanied at all times to ensure that they are not left alone in offices or work areas containing confidential and Undisclosed Material Information.

#### **XIV. CONFERENCE CALLS, MEETINGS AND AVOIDING SELECTIVE DISCLOSURE**

1. When participating in shareholder meetings, news conferences, social media, the Company's official analysts' conferences and private meetings with analysts or institutional investors (each, a "**Meeting**"), 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 is not permitted.
2. To protect against selective disclosure, the procedures outlined in Section 0 (Procedures Regarding Public Oral Statements), Section 0 Online Communications on and Social Media and Section 0 Websites must be followed.
3. At the beginning of any Meeting, a Spokesperson shall notify all participants that there may be discussion of forward-looking information and shall provide the appropriate cautionary language with respect to such forward-looking information and direct participations to publicly filed disclosure documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties that could affect such forward-looking statements. As further outlined in Section 0 (Preparation and Release of Documents).
4. During any public Meeting, the Disclosure Committee shall ensure that the discussion taking place at such Meeting shall be accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the internet. Where practicable, the Disclosure Committee shall meet to discuss appropriate answers to anticipated questions in advance of any such public meeting, conference call or other shareholder meeting or update.
5. Where appropriate, the Company shall provide advance notice of the public Meeting by issuing a press release, announcing the date and time and providing information allowing interested parties to access the call and webcast. In addition, the Company may invite members of the investment community, the media and others to participate. Such notice will also be advance posted on the Company's website.
6. An archived audio webcast on the Company's website, or an audio transcript of the public Meeting, if available, shall be made available following the public Meeting for a minimum of 10 days for anyone interested in listening to a replay and shall be retained for a minimum of six years in the Company's records. The archived audio webcast page of the Company's website shall include a notice that advises the reader that the information therein is for historical purposes only and that while information contained

within the releases was believed to be accurate at the time of issue, the Company will not, and specifically dis-claims any duty to, update this information.

7. If, at a non-public Meeting, 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.

8. If, at a public Meeting, Material Information that has not been Generally Disclosed is inadvertently disclosed, the Company shall immediately disclose such information broadly via press release.

9. If at any Meeting any Material Information is misstated or omitted, inadvertently or otherwise, such misstatement or omission shall be immediately reported to the Disclosure Committee. The Disclosure Committee shall consider and authorize release of an appropriate statement or other disclosure or communication correcting such misstatement or omission.

## **XV. CONTACT WITH ANALYSTS, INVESTORS AND ANALYST REPORTS**

1. Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered Undisclosed Material Information. If the Company intends to announce Material Information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a press release containing such information, which release is disseminated in accordance with this Disclosure Policy.

2. Spokespersons shall keep notes of telephone conversations with analysts and investors and, where practicable and appropriate, more than one Company representative will be present at all individual and group meetings. A debriefing shall be held after such meetings and if such debriefing uncovers disclosure of previously undisclosed Material Information, the Company shall immediately disclose such information broadly via a press release. If such debriefing uncovers any misstatement or omission, the Disclosure Committee shall consider and, if deemed advisable, authorize release of an appropriate statement or other disclosure correcting such misstatement and or omission.

3. 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 and or omissions with respect to factual information that has been Generally Disclosed.

4. In order to avoid appearing to "endorse" an analyst's report or model, the Company provides its comments orally, or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

5. 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.

6. As contemplated in Section 0, Financial Analysts' reports shall not be posted on or linked from the Company's website.

7. The Company may from time to time give earnings guidance or any other Forward-Looking Information through voluntary disclosure by way of a news release, provided that the cautionary language described in Section 0 accompanies the information.

## **XVI. DISCLOSURE RECORD**

1. The Disclosure Committee shall maintain a disclosure record. This consists of a six-year file containing all public information about the Company available in respect of the Company, including continuous disclosure documents (including, without limitation, the Annual Report, the Annual Information Form, Notice and Management Proxy Circular, Quarterly Reports to Shareholders and Material Change Reports, if any), press releases issued by the Company and transcripts, videos and tape recordings of Meetings.

## **XVII. EDUCATION AND ENFORCEMENT**

1. This Disclosure Policy shall be circulated to all directors, officers and employees of the Company. This Disclosure Policy shall be posted on the Company's internal website and the Disclosure Committee shall endeavour to ensure that all employees are aware of the existence of the Disclosure Policy, its importance and the Company's expectation that employees shall comply with the Disclosure Policy.

2. Upon implementation by the Board of Directors, and on a periodic basis thereafter, all directors, officers and employees (including new directors and officers joining the Company or employees hired after implementation) will be requested to certify their compliance with this Disclosure Policy by confirming their compliance with the Code of Business Conduct and Ethics to which this Disclosure Policy is incorporated by reference.

3. Any officer or employee who violates this Disclosure Policy may face disciplinary action up to and including termination of his or her employment with the Company without notice. The violation of this Disclosure Policy may also violate certain securities laws. If it appears that an officer or employee may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

## **XVIII. TRADING RESTRICTIONS AND BLACKOUT PERIODS**

1. It is illegal for certain persons, including directors, officers, employees and insiders of a public company, to purchase or sell securities of the public company with knowledge of Material Information affecting that company that has not been publicly disclosed. Therefore, directors, officers and employees with knowledge of confidential or Material Information about the Company, counterparties in negotiations with the Company involving potential material transactions, and financial and other professional advisors, are prohibited from trading securities of the Company or any such counterparty (as well as other securities the value of which might be affected by changes in the price of securities of the Company or any such counterparty) until the information has been fully disclosed and a reasonable period of time (two days) has passed for the information to be widely disseminated. The Disclosure Committee or the Board of Directors from time to time may impose blackout periods, during which time directors, officers and employees of the Company may not trade in the Company's securities, which will be communicated to affected individuals by email or other communication considered appropriate by the Disclosure Committee.

2. All directors, officers, employees and insiders of the Company should review and comply with the Company's Insider Trading Policy as made available to them and as posted on the Company's website.

\* \* \* \* \*

Should any person subject to this Disclosure Policy have any questions or wish information concerning the above, please contact the Disclosure Policy Administrator/s (who, at the date hereof, shall be the Chief Executive Officer and the Chief Financial Officer).

This Disclosure Policy is intended as a component of the governance framework within which the Company's Board of Directors, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles, it is not intended to establish any legally binding obligations.

## SCHEDULE A

### Individuals and Entities to Whom this Policy Applies

This Policy applies to Contractors, Directors, Employees, Officers, Persons in a Special Relationship with the Company, and Reporting Insiders.

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

**“Directors”** means directors of the Board for the Company;

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

**“Officers”** means 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, partnership or joint venture 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

**“Reporting Insider”** means an insider of the Company if the insider is

1. the CEO, CFO or Chief Geologist of the Company, of a significant shareholder of the Company or of a major subsidiary of the Company;
2. a director of the Company, of a significant shareholder of the Company or of a major subsidiary of the Company;
3. a person or company responsible for a principal business unit, division or function of the Company;
4. a significant shareholder of the Company;



5. a significant shareholder based on post-conversion beneficial ownership of the Company's securities and the CEO, CFO, Chief Geologist and every director of the significant shareholder based on post-conversion beneficial ownership;
6. a management company that provides significant management or administrative services to the Company or a major subsidiary of the Company, every director of the management company, every CEO, CFO and Chief Geologist of the management company, and every significant shareholder of the management company;
7. an individual performing function similar to the functions performed by any of the insiders described in (1) through (6) of this definition;
8. the Company itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or
9. any other insider that
  - (a) in the ordinary course receives or has access to information as to Material Facts or Material Changes concerning the Company before the Material Facts or Material Changes are generally disclosed; and
  - (b) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Company;

**“Significant Shareholder”** means a person that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of an issuer carrying more than 10 per cent of the voting rights attached to all the Company's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person or company as underwriter in the course of a distribution.

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, or a change of name
- 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
- 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**

**4) Communications and disclosures to Partnership or Joint Venture parties**